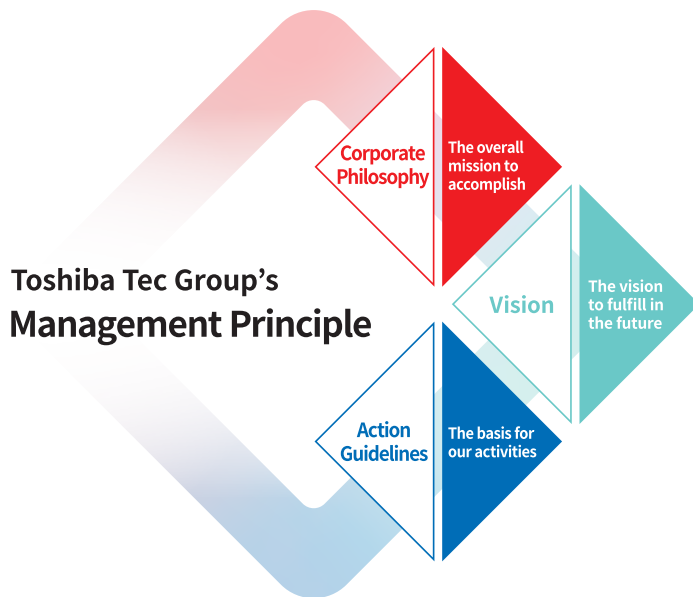


TOSHIBA

**Toshiba Tec Group
Integrated Report 2022**



Toshiba Tec Group's Management Principle



Corporate Philosophy

Create with You

-Keeping our customers in mind all the time and everywhere-

Vision

Impress the world

Delight our everyday life

Discover your inspiration

Action Guidelines

1. With our customers and partners, we will provide new values in a timely manner.
2. With other group employees, we will develop a professional team which seeks new challenges.
3. With communities, we will help to realize a society where people can enjoy active lives.
4. With everyone, we will strive for a future that looks after the environment.
5. With our shareholders' expectations in mind, we will carry out sound and transparent management.



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Editorial Policy in Issuing the Integrated Report

Gathering the information on Toshiba Tec Group's corporate activities, we have created this report collectively and multilaterally with a focus on financial and non-financial information, which is of importance for our stakeholders.

We are committed to disclosing information and communicating with all stakeholders including shareholders and investors, to help them gain a better understanding of our efforts to achieve the sustainable growth of our group. Financial and ESG information that cannot be included in this report is available on our website.

■ Reporting Organization

In principle, Toshiba Tec Corporation and its consolidated subsidiaries

■ Reporting Period

This report not only focuses on the activities in fiscal 2021 (from April 2021 to March 2022) but also includes some activities continuing from the past as well as more recent ones.

■ Reference Guidelines

- Global Reporting Initiative (GRI)
- Ministry of the Environment "Environmental Report Guidelines" (FY2018 Edition)
- Ministry of the Environment "Environmental Report Guidelines" (FY2012 Edition)
- Ministry of the Environment "Environmental Accounting Guidelines" (FY2005 Edition)
- ISO 26000 (Guidance on Social Responsibility)

Website



INVESTOR RELATIONS

<https://www.toshibatec.com/company/ir/>



INTEGRATED REPORT

https://www.toshibatec.com/company/ir/material/integrated_report.html

VALUE CREATION MODEL OF TOSHIBA TEC GROUP

INPUT			
Management Capital			
Intellectual Capital	Manufacturing Capital	Human Capital	Capital Ties
R&D cost	Capital investment	Employees	Consolidated subsidiaries
21.9 billion yen	6.8 billion yen <small>*Includes property, plant, and equipment only</small>	18,539	Japan 8 companies Overseas 61 companies

Social Issues

- ✓ Economic development of community and social cost saving
- ✓ Work-style reform and promotion of response to labor shortage
- ✓ Build a social infrastructure for ecosystem
- ✓ Maximum reduction in both the use and disposal of resources

Customer Issues

- Integration of EC and bricks-and-mortar stores
- Strengthen marketing
- Variety of checkout and payment methods
- Saving of paper
- Reduce food loss and waste
- Improve operational efficiency and productivity of our customers

Strategy of Toshiba Tec Group

Retail Solutions ▶ P17	Workplace Solutions ▶ P19
Auto-ID Solutions ▶ P21	Inkjet Solutions ▶ P22

Expand data business by leveraging high market share, proprietary technology, and unique products

Corporate Philosophy of Toshiba Tec Group

Create with You
-Keeping our customers in mind all the time and everywhere-

OUTPUT

FY2021 Results

Net sales

445.3 billion yen

Operating profit

11.6 billion yen

Ordinary profit

10.2 billion yen

Profit attributable to owners of parent

5.4 billion yen

Solve not only customer issues but also social issues lying at the bottom of customer issues

- Create new value through co-creation
- Create new value through data utilization
- Protect privacy and personal information



Toshiba Tec's initiatives for SDGs



HISTORY

Since its establishment, Toshiba Tec has accurately recognized the needs changing with the times and created new value ahead of the times. We keep moving forward together with stakeholders in a flexible and meaningful way based on our accumulated achievements and know-how.

From 1950

Building a foundation based on a principle of “autonomy and independence”
Full-scale overseas expansion in the late 1960s

Having become independent from Toshiba, we started to open up new fields one after another under the principle of “autonomy and independence.” We established three pillars of our business, which are office equipment, lighting fixtures, and home appliances. Accordingly, we built our foundation that leads to the following significant development. In the late 1960s, in search of global markets, we expanded into markets in North America, Europe, and Southeast Asia.




1955
FO-1013 desk light type 7



1957
Mechanical cash register in the early days



1963
VC-37HD magic vacuum cleaner



1964
Tostec BC-401 compact electric adding machine


From 1970

Dawn of the age of POS system
Becoming the world leader in the field of printer business

We were among the first to develop electronic cash registers in the office equipment industry and took the lead over competitors while the industry was shifting to digitization. In the 1980s, we advanced into new fields such as printers and POS systems and became one of the world's top groups in the printer OEM business in only three years. We successfully developed the world's first wireless POS system in the POS business.



1971
Maconick BRC-30B electronic cash register



1973
Microcomputer chip-incorporated BRC-32CF-GS electronic accounting machine



1979
M-800 POS system with bar code scanner



1986
Vocofax PN-3000

1950	1960	1970	1980
<p>1950 Established Tokyo Electric Appliances Co., Ltd.</p> <p>1952 Renamed as Tokyo Electric Co., Ltd.</p>	<p>1962 Opened Mishima Plant.</p> <p>1969 Established Tec America, Inc., the first overseas subsidiary.</p>	<p>1972 Established TEC Electronics Business Machine Co., Ltd. (1977 Renamed as TEC Electronics Corporation.)</p>	<p>1985 Acquired a Singaporean company, SEMICON INDUSTRIES PRIVATE LTD. and started overseas production. (Current Toshiba Tec Singapore Pte Ltd.)</p>

Lighting Business	Released desk light type 7	Our lighting fixtures used and appreciated in Olympic facilities	Took over the production of facility lighting fixtures from Toshiba Electric Appliances	Released Super Ballast electronic ballast
Home Appliances Business	Released Blue Star shaver and cleaner	Launched magic vacuum cleaner	Developed a toaster oven	Started sales of small motors Broke into the space business with small precision motors for satellites
Retail Solutions Business	Entered the cash register business	Released Tostec compact electric adding machine	Launched Maconick electronic cash register	Released microcomputer chip-incorporated BRC-32CF-GS electronic accounting machine First in the world Launched a POS system with bar code scanner Released a vertical type stationary scanner First in the industry Developed a wireless POS system First in the world
Workplace Solutions Business	Developed a postal savings office accounting machine for the Ministry of Posts and Telecommunications		Entered the printer OEM business on a full-scale basis	Held the world's top market share in the dot printer business

From
1990

Establishing a stable foundation through changes in business structure

We pushed forward changes in business structure to generate stable profits in the Heisei depression (from 1991 to 2002). By working on establishing an organizational and operating structure that can flexibly respond to the market environment of the new times, we successfully brought operating results back into the black. In the 2000s, we exerted ourselves to establish a strong business structure while undergoing structural transformation into a profitable group under the slogan of change and creation.



1993
B-470 Series bar code printer



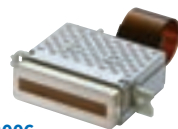
1999
FANTASIA22 digital full-color MFP



2006
WILLPOS-Self SS-1000 self-checkout system



2006
OrderExpress wireless ordering system



2006
CF1 inkjet print head

1990

- 1990** Started activities of Toshiba Tec Philanthropy Fund.
- 1994** Merged with TEC Electronics Corporation and renamed as TEC Corporation.
- 1999** Took over copier business from Toshiba Corporation and were renamed as Toshiba Tec Corporation.

Transferred the lighting business to Toshiba Lighting & Technology

Won the top share in the vacuum cleaner market

Entered the barcode printer business

2000

- 2001** Started the production of photocopiers in our new plant in Shenzhen, China (Toshiba Tec Information Systems (Shenzhen) Co., Ltd.).
- 2004** Set out a new corporate philosophy "Our Five Commitments."
- 2005** Integrated Tokyo area offices into Osaki Office (Shinagawa-ward).
- 2006** Formed the Inkjet Business Group.

Transferred the home appliances business to Toshiba Home Appliances Manufacturing

First in the world

Conducted demonstration experiment of EXPRESS POS as a means of settlement Released self-checkout system

Won the top share in the Chinese MFP market

From
2010

Aiming to become a solution partner who solves the issues of customer sites starting with retail stores and offices

While accelerating overseas business expansion, we built a global system that covers approx. 100 countries and regions. With our long-cultivated core technologies, we aim to become a solution partner that solves issues faced by customers worldwide by utilizing products and services that are one step ahead of the times.



2013
IS-910T vertical type object recognition scanner



2016
Semi-Self semi-self-checkout system



2014
Smart Receipt electronic receipt service

2017
Hybrid MFP Loops LP50 Series paper reusing system



2019
Pipit (Beep) Cart shopping cart self-checkout system



2021
UF-3000 RFID handheld reader

2010

- 2012** Acquired the retail store solution (RSS) business from International Business Machines Corporation (IBM).
- 2018** Loops Series won Excellence Award at the 1st EcoPro Awards and Eco Mark Award 2018 Excellence Award.
- 2018** Established TD Payment Corporation.

Launched Smart Receipt electronic receipt service

Launched Loops paper reusing system

2020

- 2021** Renamed the Printing Solutions Business Group as the Workplace Solutions Business Group.
- 2021** Revised the Toshiba Tec Group Corporate Philosophy and established the Group's Vision and Action Guidelines.
- 2022** Further promoted the development of ELERA, a global retail platform.

Released a Semi-Self semi-self-checkout system

Released a hybrid MFP paper reusing system

Rolled out the Pipit (Beep) Cart shopping cart self-checkout system

*Smart Receipt is a registered trademark of Toshiba Tec Corporation.

*ELERA is a registered trademark of Toshiba Tec Corporation or its group companies.

Aiming to become a global top solutions partner



Hironobu Nishikori
President and Chief Executive officer
Toshiba Tec Corporation

Hironobu Nishikori

The world today faces rapid environmental changes and ever more complex social issues on a global scale, such as waste caused by overproduction, increased carbon dioxide, labor shortages, and workstyle reform. At Toshiba Tec Group, we are undergoing a transformation so that we can respond swiftly to these changes and issues in society and to the needs of customers.

We possess valuable assets that do not appear in our financial statements, including a network of locations that spans the globe and a leading share in the market for POS systems. We will take full advantage of our global customer base and sales and service networks, aiming to become “a global top solutions partner” as a platformer that co-creates new value and solutions to social issues, together with our customers and partners.

As of October 1, 2021, Toshiba Tec Group formulated a new Vision and Action Guidelines alongside the revision of the Toshiba Tec Group Corporate Philosophy. In these uncertain times, we will put our corporate philosophy of “Create with You” into practice to realize our own change and sustainable growth.

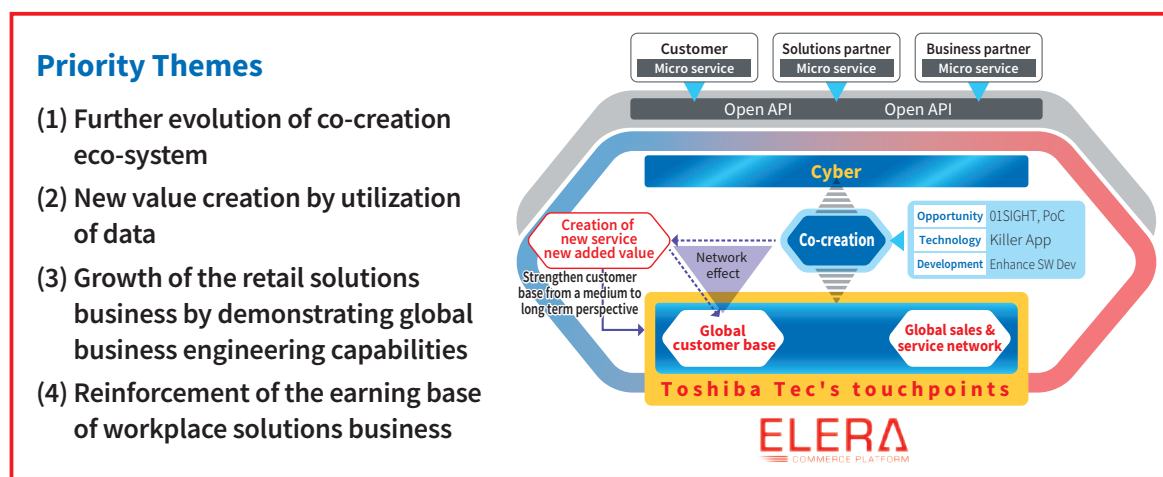
FY2022–FY2024 Mid-term business plan (MTBP)

To solve the complex social issues that are changing at a rapid pace on a global scale, we formulated a mid-term business plan that aims for the construction and expansion of an ecosystem centered on our global platform, ELERA, and the growth of each of Retail and Workplace Solutions Businesses.

Since its foundation in 1950, Toshiba Tec Group has built up physical assets in the form of a global customer base and sales and service networks. However, we consider that physical assets alone will be not enough to solve the social issues of the future.

To solve them, we have developed ELERA as touch points to co-create various solutions with partners who have expertise and cyber assets know-how and connect to all manner of devices.

Our entire company will work together in our aim to achieve the mid-term business plan with the priority themes of the further evolution of our ecosystem, co-creation with partners through the use of data, growth of the Retail Solutions Business, and strengthening of the profit base of the Workplace Solutions Business.



To become a global top solutions partner by generating new value through co-creation with the aim of contributing to the resolution of social issues

Management Targets

	FY2022 Forecasts (120 yen/USD, 135 yen/EUR)	FY2024 Plan (120 yen/USD, 135 yen/EUR)	Difference
Net sales	450.0 billion yen	500.0 billion yen	+50.0 billion yen
Operating profit	18.0 billion yen	31.0 billion yen	+13.0 billion yen
ROS (%)	4.0% (RS*1: 4.3%, WS*2: 3.3%)	6.2% (RS*1: 6.7%, WS*2: 5.1%)	+2.2pt
Current Net Profit	8.0 billion yen	15.0 billion yen	+7.0 billion yen
Cash Flows from Operating activities	31.0 billion yen	38.0 billion yen	+7.0 billion yen
Return on invested capital (ROIC*3)	8.6%	13.5%	+4.9pt

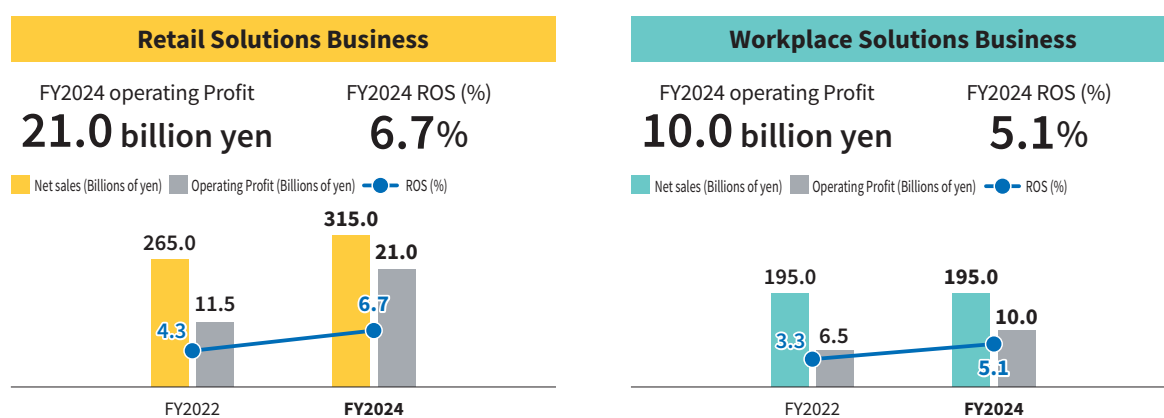
*1 RS: Retail Solutions *2 WS: Workplace Solutions

*3 ROIC = Operating profit after tax (operating profit/ loss x (1 - tax rate) ÷ Invested capital (average interest-bearing debt + net assets)

MESSAGE FROM THE CEO

The company-wide targets for FY2024 are net sales of 500 billion yen, operating profit of 31 billion yen, operating profit margin of 6.2%, and return on invested capital (ROIC) of 13.5%. We aim to achieve these numbers by transforming the business profit structure, reviewing selling prices in response to sharp rises in the costs of parts and transport, increasing profits in new fields, and investing in growth strategies.

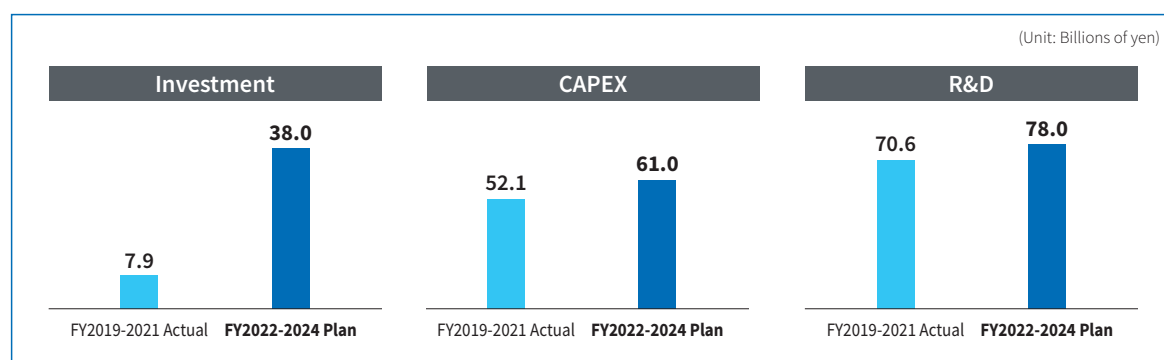
By individual business, in the Retail Solutions Business, which aims to grow by taking maximum advantage of our global collective strengths originating in Japan-U.S. collaborations, the target is to achieve net sales of 315 billion yen, an operating profit of 21 billion yen, and an operating profit margin of 6.7% in FY2024. Meanwhile, in the Workplace Solutions Business, which aims to continue strengthening its responsiveness to market fluctuations, the target is to achieve net sales of 195 billion yen, an operating profit of 10 billion yen, and an operating profit margin of 5.1% in FY2024.



Promotion of growth strategy

Toshiba Tec Group has positioned ELERA, data services, BPO, SCM, settlement, next-generation stores, DMS, and Auto-ID as new fields.

These recurring businesses, which will enable high profitability and horizontal expansion, are fields that Toshiba Tec Group must expand to become the global top solutions partner. To achieve our growth strategy, we will strengthen strategic partnership ties, with our plans for investment and loans, capital investment, and R&D over three years as follows:



Toward the realization of a sustainable society

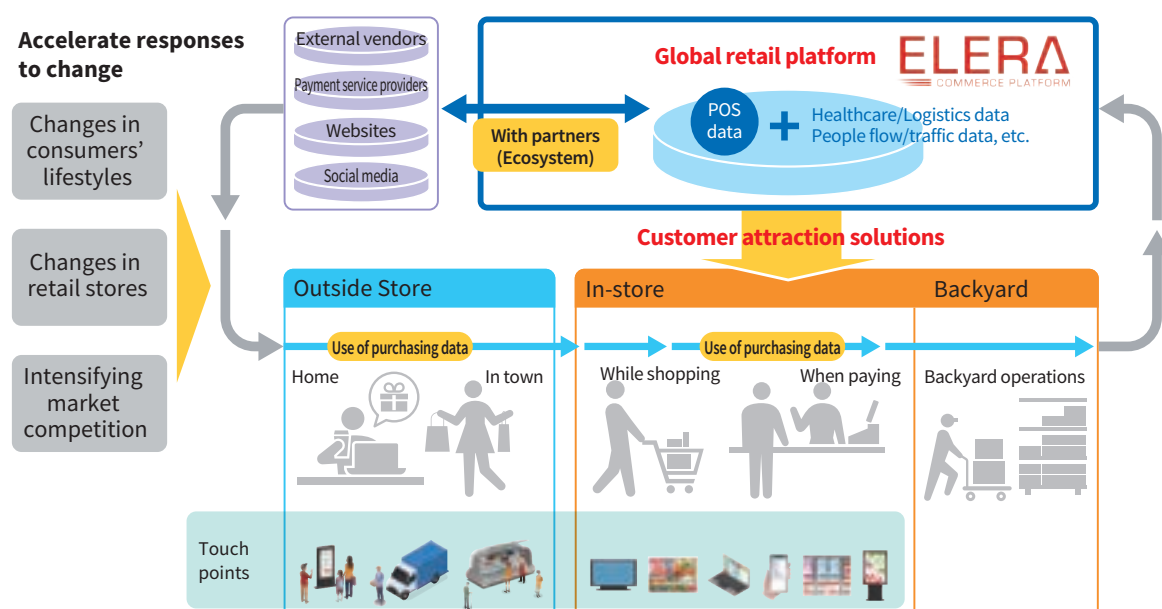
Our goal is to solve not only our customers' problems but also underlying social issues. Precisely because we know our customers better than anyone, we will contribute to solutions to social issues and to the realization of a sustainable society by creating new value aimed at business growth strategies together with the customers and by addressing the Materiality (key issues) identified in our Management Principle.

Also, in our efforts to achieve business growth, we will attach importance to communication with stakeholders and strive to enhance corporate value.

Business Strategy

Retail Solutions Business

The Retail Solutions Business today is being called on to transform so it may offer more advanced data solutions. We will undertake technological collaborations with overseas associated companies and accelerate the development of ELERA as an open API that makes maximum use of our global collective strengths. ELERA puts together massive volumes of purchase-related data. It will offer a variety of services not only for in-store activities but also for activities outside the store, in the backyard, and in cyber and physical spaces by linking each other. We will also aim to offer data solutions and create new value through the effective use of Smart Receipt.



FY2022 Forecasts	Measures	FY2024 Plan
<p>Net sales</p> <p>265.0 billion yen</p> <p>Operating Profit</p> <p>11.5 billion yen</p> <p>ROS (%)</p> <p>4.3%</p>	<p>New value creation by data utilization</p> <p>Growth of the Retail Solutions Business by making full use of global business engineering capabilities</p> <ul style="list-style-type: none"> ● Investment Next-generation store, Payment, SCM, Data services ● CAPEX Systems for data businesses, Expansion of cloud function, Enhancement of smart receipt ● R&D Explore R&D themes for 4 focused domains in greater detail, Accelerate ELERA development 	<p>Net sales</p> <p>315.0 billion yen</p> <p>Operating Profit</p> <p>21.0 billion yen</p> <p>ROS (%)</p> <p>6.7%</p>

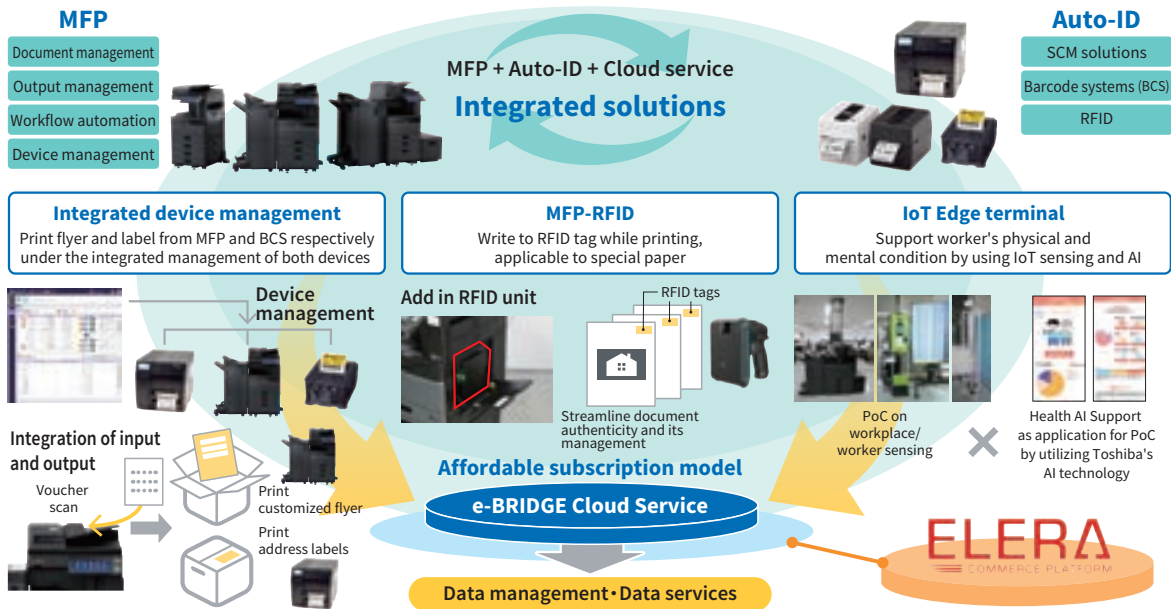
*Four priority areas (Next-generation store, Payment, SCM, Data services)

Workplace Solutions Business

The environment surrounding the Workplace Solutions Business has changed significantly over the past several years thanks to work-style reform prompted by the COVID-19 pandemic. The previous common practice of going to an office for work has been replaced with a work style that is not confined to a specific location.

Instead of confining the use of our MFPs to office situations, we will offer new value by strengthening their linking functions to accommodate diverse services, such as cloud services and applications, and a variety of work styles, to make the MFPs more comfortable to use.

We will also collaborate with the Auto-ID Solutions Business and the Inkjet Solutions Business to grow into a business that can offer integrated solutions, while working to strengthen the business structure and profit base across the entire business domain.



FY2022 Forecasts	Measures	FY2024 Plan
<p>Net sales</p> <p>195.0 billion yen</p> <p>Operating Profit</p> <p>6.5 billion yen</p> <p>ROS (%)</p> <p>3.3%</p>	<p>Reinforcement of earning base of Workplace Solution Business</p> <p>Achieve differentiation and growth by offering one stop solutions through e-BRIDGE Cloud Service and device cooperation of MFP and Auto-ID</p> <ul style="list-style-type: none"> ● Investment DMS, Auto-ID Solutions ● CAPEX Develop the foundation of cloud services Enhancement of cloud solutions ● R&D Cloud services, BCS platform 	<p>Net sales</p> <p>195.0 billion yen</p> <p>Operating Profit</p> <p>10.0 billion yen</p> <p>ROS (%)</p> <p>5.1%</p>

※ DMS Document Management System

MATERIALITY OF TOSHIBA TEC

Toshiba Tec Group will realize sustainable growth and the enhancement of corporate value by addressing the Materiality (key issues) identified in its Management Principle and will contribute to the achievement of the SDGs by working to resolve social issues.

Toshiba Tec Group Sustainability Policy

As a member of society, Toshiba Tec Group will aim to realize a sustainable society based on the corporate philosophy, "Create with You -Keeping our customers in mind all the time and everywhere-."

To realize such a society, we will prioritize taking care of the environment in all our business activities and, with high ethics and a law abiding spirit, we will fulfill our responsibility to countries and local communities and respect their culture and history.

We will aim for the sustainable enhancement of corporate value by creating value with our customers in mind, striving toward proactive investment, and highly transparent management.

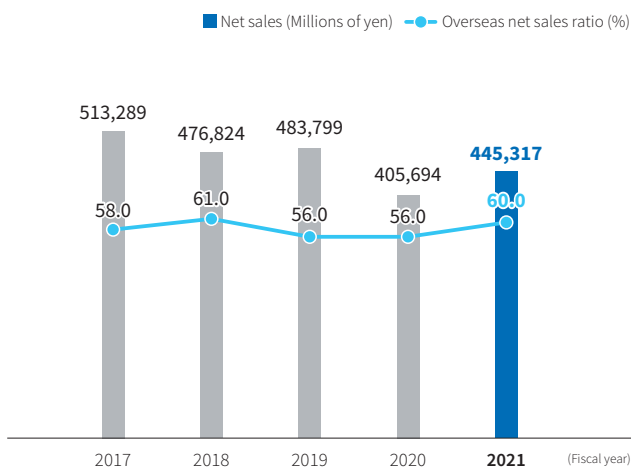
ESG	Materiality	Category (KPI)	FY2021 Results	FY2022 End Target	FY2023 End Target	Measures
Environment	Response to climate change	(1) Total GHG emissions in business activities (thousand t-CO ₂)	48.6	42.4	35.9	Response to climate change through the reduction of energy use and GHG emissions, aimed at carbon neutrality
	Response to the circular economy	(1) Total waste emissions in business activities (Unit: t/100 million yen of production)	17% improvement from the previous fiscal year*1	1% improvement from the previous fiscal year	1% improvement from the previous fiscal year	Response to the circular economy through the reduction of resources input into our business activities, promotion of recycling, and elimination of waste at manufacturing stage
	Consideration of ecosystems	(1) Total emissions of chemical substances in business activities (Unit: kg/100 million yen of production)	3% improvement from the previous fiscal year	1% improvement from the previous fiscal year	1% improvement from the previous fiscal year	Response to various countries' policies and regulations concerning chemicals management
(2) Amount of water received in business activities (Unit: m ³ /100 million yen of production)		12% improvement from the previous fiscal year*1	1% improvement from the previous fiscal year	1% improvement from the previous fiscal year	Appropriate management of water resources in business activities	
Social	Securing/retention/development of HR	(1) Proportion of female new-graduate recruits*2	25%	27%	30%	Promotional activities and dissemination of information to appeal to female university students
		(2) Rate of male employees taking childcare leave	17%	More than the previous fiscal year	More than the previous fiscal year	Dissemination of information to promote understanding of scheme and follow-up
		(3) Rate of attendance of training programs by position	98.0%	100%	100%	Dissemination of information on educational opportunities and follow-up
	Employee safety and health	(1) No fatal accidents	0%	0% (No accidents)	0% (No accidents)	Investigation of true causes of accidents and drilling down into management systems
		(2) Number of employees with metabolic syndrome	32.9%	Fewer than the previous fiscal year (28.6% at end of FY2025)	Fewer than the previous fiscal year (28.6% at end of FY2025)	Education programs and events aimed at improvement of lifestyle habits
	Respect for human rights	(1) Communication of top management message about human rights	Once (Dec.)	Once (Dec.)	Once (Dec.)	—
		(2) Harassment education	Once-yearly e-learning program (Taken by 98.0%) Harassment survey	Once-yearly e-learning program (Taken by 100.0%) Harassment survey	Once-yearly e-learning program (Taken by 100.0%) Harassment survey	Cultivation of an open and positive workplace culture
		(3) Appropriate responses to human rights risks	100% of whistleblowing cases dealt with	100% of whistleblowing cases dealt with	100% of whistleblowing cases dealt with	Respond to human rights risks reported, including to harassment helplines (Response to human rights risks reported to internal reporting system/risk hotline)
	Promotion of sustainable procurement activities	(1) Rate of receipt of procurement policy endorsements (= Rate of signing of Basic Transaction Agreements)	100%	100%	100%	Tightening and steady implementation of procedures for opening new transaction accounts
		(2) Number of suppliers completing supplier sustainability survey	320 companies	320 companies	320 companies	Steady conduct of survey of survey-target suppliers
(3) Number of education sessions about sustainable procurement and number of attendees		Internal education sessions held*: Once each *New employee induction training: None assigned; Relevant divisions' law compliance training: 45; transferee training: No transfers; Subcontractor Act e-learning (parent/Japanese subsidiaries: 6,851)	Internal education sessions held*: Once each *New employee induction training: 1; Relevant divisions' law compliance training: 40; Transferee training: 1; Subcontractor Act e-learning (Parent company/Japanese subsidiaries: All employees)	Internal education sessions held*: Once each *New employee induction training: 1; Relevant divisions' law compliance training: 40; Transferee training: 1; Subcontractor Act e-learning (Parent company/Japanese subsidiaries: All employees)	Strengthening/promotion of ongoing Subcontractor Act compliance education	
Strengthening of R&D for creation of innovation	(1) Number of AI personnel (Number of employees who have passed JDLA Deep Learning for General exam - cumulative)	32	50	75	AI personnel education activities	
Governance	Strengthening of governance	(1) Rate of attendance of Standards of Conduct education (e-Learning)	100%	100%	100%	Ongoing improvements of educational content
		(2) Positive evaluation in Board of Directors Effectiveness Evaluation Survey	88.6%	Higher than the previous fiscal year	Higher than the previous fiscal year	Identify issues through survey and plan and implement effective improvement measures
	(3) Ongoing implementation of voluntary monitoring program of internal control systems targeting all Group companies	Once	Once	Once	—	
Strengthening of cyber-resilience	(1) Self-evaluation of degree of cyber security maturity	3.2	Higher than the previous fiscal year	Higher than the previous fiscal year (Achieve 3.5, then maintain at 3.5 or higher)	Comprehensive promotion of security measures	

*1: From the decline in efficiency caused by the fall in production value due to COVID-19 in FY2020, efficiency improved by a large margin in FY2021 with the recovery of production value.

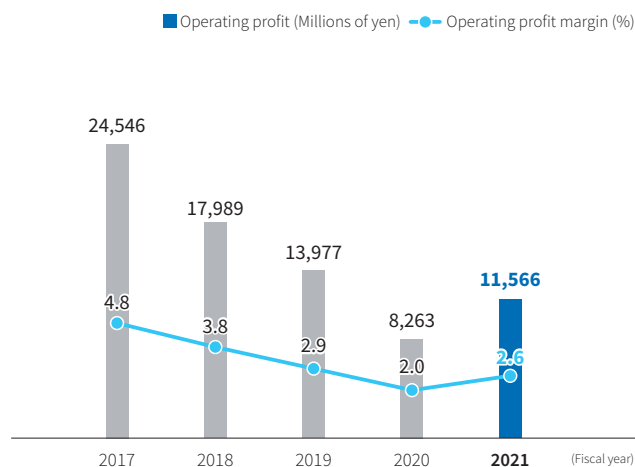
*2: Recorded based on fiscal year of activities (FY2021 result: new recruits joining in April 2022)

FINANCIAL HIGHLIGHTS (CONSOLIDATED)

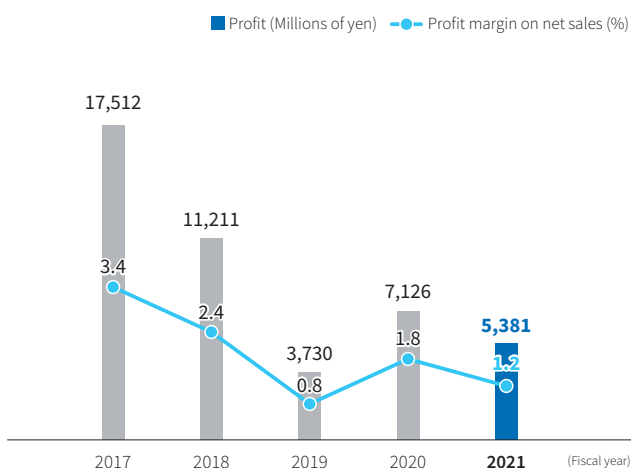
Net sales and overseas net sales ratio



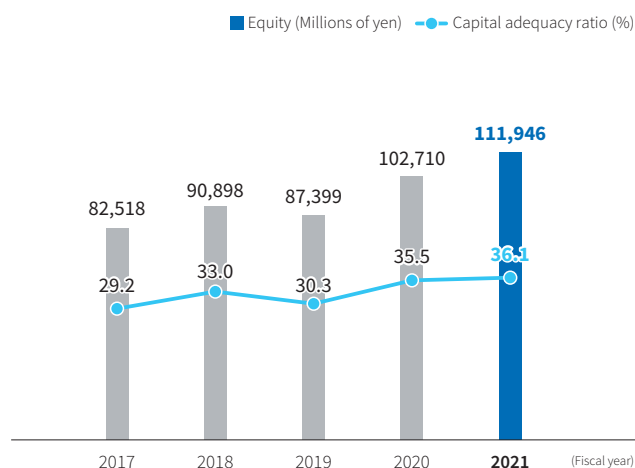
Operating profit and operating profit margin



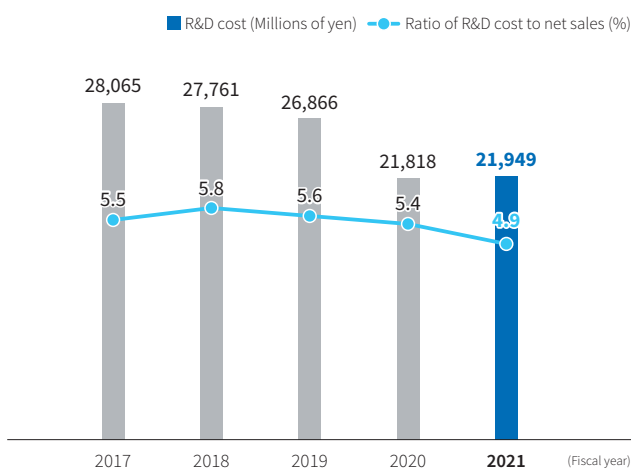
Profit and profit margin on net sales



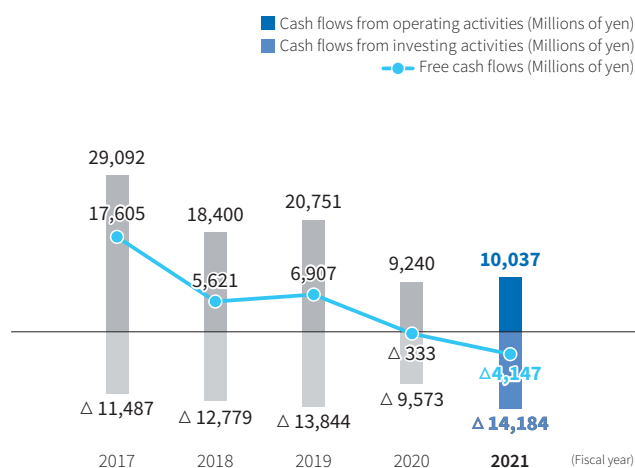
Equity and capital adequacy ratio



R&D cost and ratio of R&D cost to net sales

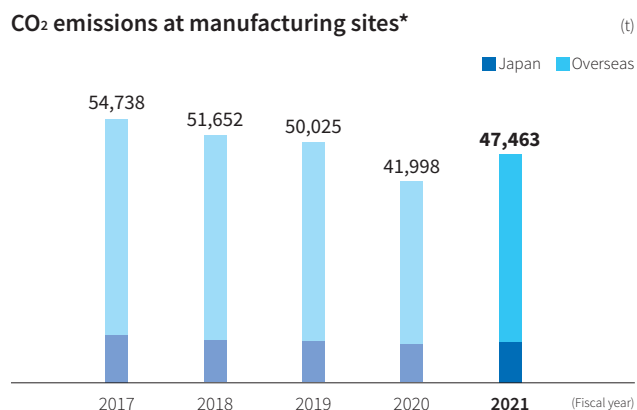


Cash Flows



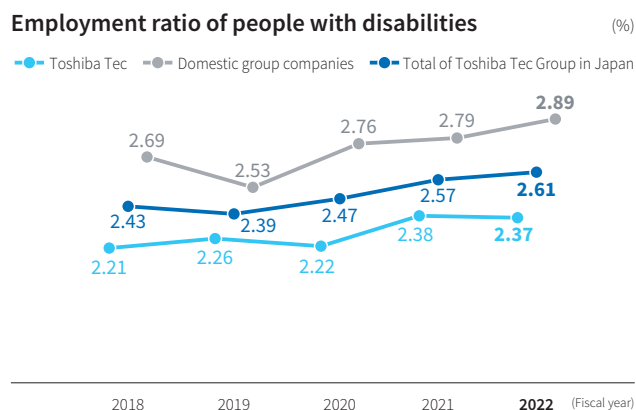
NON-FINANCIAL HIGHLIGHTS (CONSOLIDATED)

CO₂ emissions at manufacturing sites*



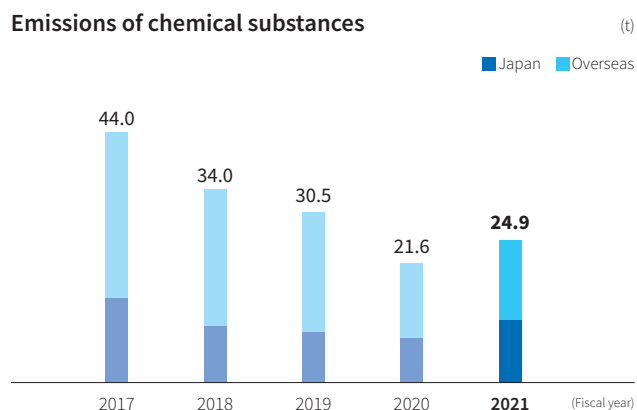
We continue to reduce CO₂ emissions through the systematic implementation of measures such as switching to LED lighting and upgrading to energy-saving equipment mainly at overseas sites by effectively using subsidies. Our multifaceted emission reduction initiatives also include the greening of rooftops and installation of solar panels.

Employment ratio of people with disabilities



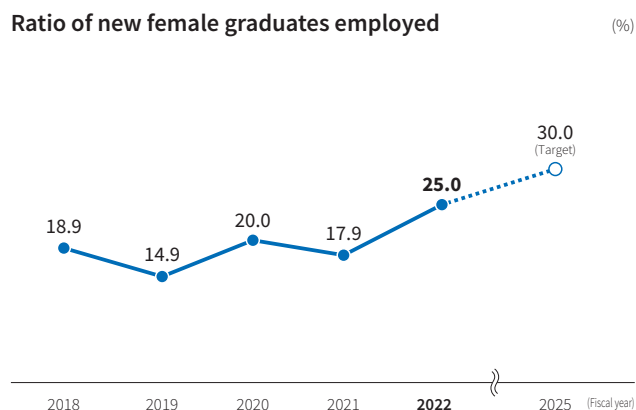
Toshiba Tec became eligible for the special exception for a business group for calculating the employment rate of persons with disabilities in April 2015, and Toshiba Tec Group's employment rate of persons with disabilities was 2.61% as of April 2022. We are also actively promoting the employment of people with disabilities and activities to support them.

Emissions of chemical substances



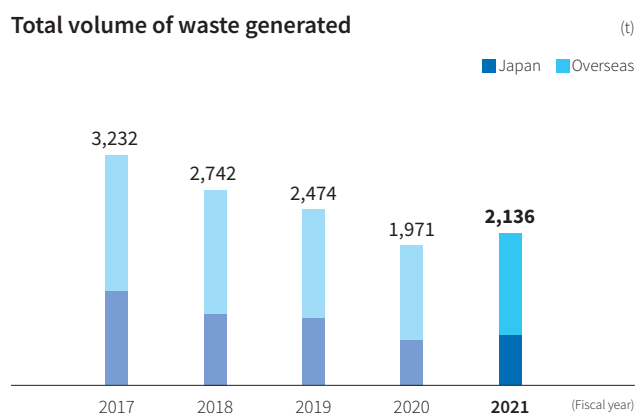
We strive to reduce emissions of chemical substances, which are classified into "reduction," into the atmosphere and water that directly affect the environment. We will continue to reduce emissions by introducing manufacturing equipment with low emissions of chemical substances and reviewing the processes.

Ratio of new female graduates employed



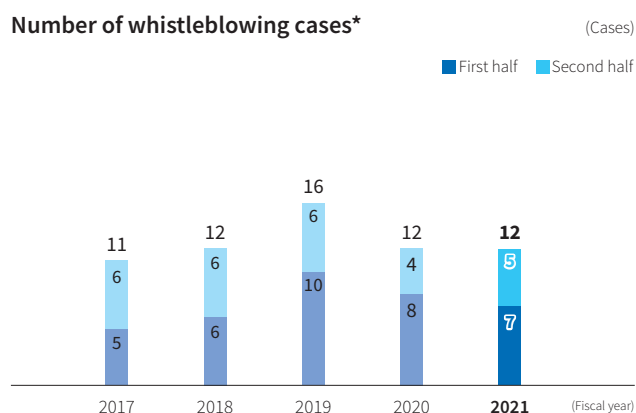
We achieved the target of 25% in the ratio of new female graduates employed in April 2022. With the next target of 30% in the ratio of new female graduates employed to be achieved in 2025, we have been holding a variety of events more than ever to showcase our initiatives for promoting the advancement of female employees and the successful examples of their performance.

Total volume of waste generated



To efficiently use resources, we work on the reduction of the total volume of waste generated. We also visit recycling bases in Japan, directly assess the processing status, and are striving to improve communication with them to increase recycling rates. We will continue working on the efficient use of resources in the future.

Number of whistleblowing cases*



Toshiba Tec is striving to disseminate information regarding the whistleblowing system by continuously offering education on the topic using e-learning courses targeting all employees and displaying information regarding the contact site on the notice boards in the offices.

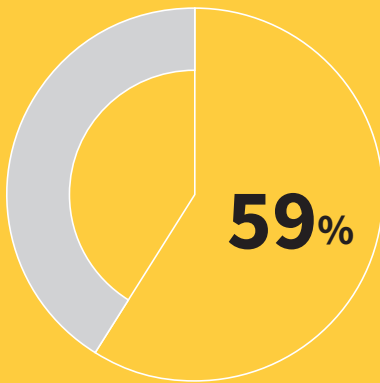
*The figures are the total number of cases received by the internal secretariat, law firm, and contact site at Toshiba Corporation.

*The CO₂ emission factor of domestic electricity was calculated using receiving end power data from the Electric Power Council for a Low Carbon Society, and the overseas CO₂ emissions factor was calculated using receiving end power of WRI/WBCSD GHG Protocol data in fiscal 2009.

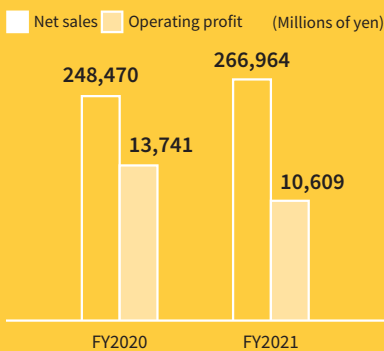
SEGMENT OVERVIEW

Retail Solutions Business

Net sales breakdown



Net sales and operating profit*



*Due to changes in segment categories, the figures for FY2020 differ from those that appeared in last year's Integrated Report.

Main business

Develops, manufactures, sells, and offers maintenance of POS systems for Japan and overseas markets, Auto-ID systems for the Japanese market, and related products. In Japan, Toshiba Tec and distributors sell the products under the TEC brand. Overseas, our local subsidiaries and distributors sell them mainly under the TOSHIBA brand. The products are also sold under the brands of our business partners.

The Retail Solutions Business Group handles POS systems for domestic and overseas markets, auto ID systems for domestic market, and related products. Amid a severe business environment in which the impact of the spread of COVID-19 and intensifying competition with peers continue, the business group has worked on various initiatives under the basic policy of "Aim at becoming a global top solutions partner in the distribution industry." These initiatives include concentrated investment in growth fields (data services, next generation stores, payment, and Supply Chain Management (SCM)), business expansion through strategic partnership, and the expansion of service business in overseas markets.

Sales of POS systems for domestic market rose as a result of efforts focused on expanding sales mainly of payment terminals, self-ordering systems, smart receipts by taking into account measures against COVID-19, amid a downturn in the investment appetite of retail and restaurant businesses.

Sales of POS systems for overseas markets increased as sales remained robust in each region.

Sales of auto ID systems for domestic market increased due to an increase in sales of barcode printers to specific customers.

As a result, net sales of the Retail Solutions Business Group were ¥266,964 million (up 7% year on year). Operating profit of the business group was ¥10,609 million (down 23% year on year) due in part to the impact of tight supply-demand balance of components despite the increase in net sales.



Workplace Solutions Business

The Workplace Solutions Business Group handles multifunction peripherals (MFPs) for domestic and overseas markets, auto ID systems for overseas markets, inkjet heads for domestic and overseas markets, and related products. Amid a severe business environment in which the impact of the spread of COVID-19 and intensifying competition with peers continue, the business group simultaneously reinforced “Customer touch points functions” and “Overall business structure,” and built a robust and streamlined global operation structure to focus on achieving its targets. At the same time, the business group worked on strengthening Document Management System (DMS)/Enterprise Contents Management (ECM) solutions, the auto ID business, the cloud solutions platform, and other measures.

Sales of MFPs rose as a result of increased sales in the Americas, Europe, Asia and other overseas regions.

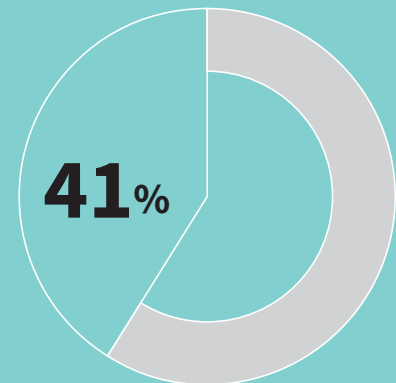
Sales of auto ID systems for overseas markets increased as a result of increased sales in the Americas, Europe, Asia and other overseas regions.

Sales of inkjet heads increased due to increased sales to domestic and overseas customers.

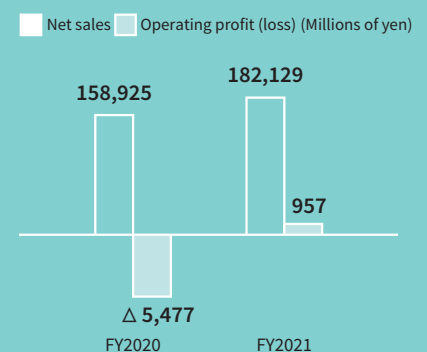
As a result, net sales in the Workplace Solutions Business Group were ¥182,129 million (up 15% year on year). Operating profit for the business group improved to ¥957 million (operating loss of ¥5,477 million in the previous fiscal year) due mainly to the increase in net sales and reduction of fixed costs despite being affected by tight supply-demand balance and soaring prices in components and international cargo transportation.



Net sales breakdown



Net sales and operating profit (loss)*



*Due to changes in segment categories, the figures for FY2020 differ from those that appeared in last year's Integrated Report.

Main business

Develops, manufactures, sells, and offers maintenance of MFPs for Japan and overseas markets, Auto-ID systems for overseas markets, inkjet print heads for Japan and overseas markets, and related products. Has a system in place where products are sold mainly under the TOSHIBA brand, by Toshiba Tec and distributors in Japan and by our local subsidiaries and distributors in overseas markets.

Retail Solutions

We assist in the development of an ideal store that makes customers and retailers smile

In recent years, retail industry have faced various challenges due to consumers' diversifying lifestyles and different purchasing and payment methods, as well as the changes in society's awareness of the environment. Toshiba Tec will assist in the development of ideal stores through proposals based on voice of customer, by enhancing sales and service structures and by providing new value through co-creation with our partners, so that both customers and retailers can enjoy their stores more as pleasure experience.



Development of ELERA global retail platform through Japan-U.S. collaboration

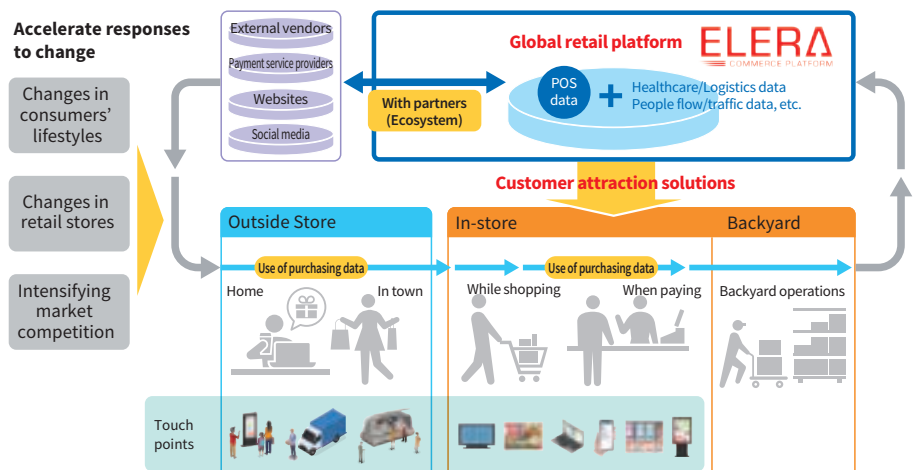
Toshiba Tec aims to be the global top solutions partner in retail industry. Under this management policy, we are pressing forward with the development of the ELERA subscription-based global retail platform through co-creation with strategic partners in a global development collaboration with mainly Japan and the United States.

The global COVID-19 pandemic has drastically transformed consumer lifestyles. We are also seeing dramatic changes in the environment surrounding retail industry, such as increasing numbers of companies from other industries entering into retail market and acceleration of cross-industry mergers. These changes are now diversifying and complicating the challenges which retail industry is facing. An urgent challenge for the retail industry now is to build a new business model in response to these changes in the business environment.

On ELERA, developed by Toshiba Tec, we will build wide variety services and put together massive volumes of purchasing data. Linking these services and making use of high value-added data will enable us to achieve all manner of solutions to the challenges faced by each store, as well as

promoting the digital transformation (DX) of the retail industry.

“ELERA” is a coined word derived from part of the word of accelerate. By driving the development of ELERA forward, Toshiba Tec will accelerate its response to the greatly changing world and create the future of the retail industry together with our customers and partners.



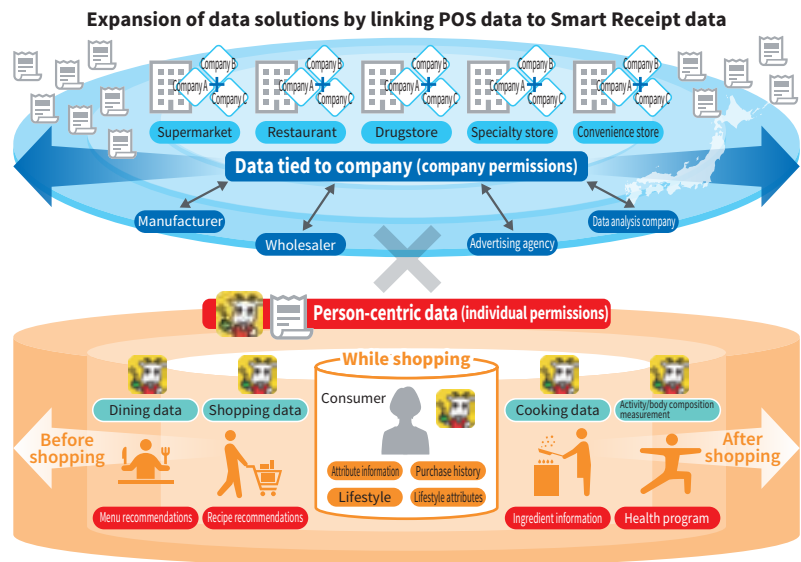


Creation of new value through effective use of data, based on Smart Receipt

Through Toshiba Tec's customer base, service network, and collaborations with partners, we aim to accelerate data solutions and resolve social issues.

While POS systems aggregate the purchasing data for each company/store, Smart Receipt, the electronic receipt service developed by Toshiba Tec for smartphones, carries data linked to individuals that can support us to grasp who bought what, when and how much that person paid.

We aim to provide solutions that can cover a wide range of activities including those before and after shopping, by linking the purchasing data of each store and personalized customer data. Also, digitization of receipts that are normally given in paper form will reduce the cost of issuing paper receipts and contribute to the environmental protection.



*Approximately 940,000 subscribers to Smart Receipt service (as of August 31, 2022)

Smart Receipt electronic receipt service

It is a convenient app that can receive and manage electronic receipts on a smartphone instead of in paper. It solves the trouble consumers have with paper receipts, such as well-stuffed wallets and the difficulty of managing receipts. It will also contribute to reducing costs and contribute to the environmental protection.

Utilization of coupon and stamp card functions can improve the ability to pull in more customers and increase customer satisfaction.

(1) Download the app and register as a member



(2) Show the bar code at the cashier*



*It can be linked to your company's loyalty card.

(3) Pay as usual



(4) Confirm the receipt on smartphone



Workplace Solutions

Supporting work style reforms in offices and various workplaces

Toshiba Tec's MFPs help bring improvements to a variety of industries and operations, not just offices, based on customers' needs. Through connections to cloud and mobile services, data can be accessed at anytime from anywhere to improve operation efficiencies.



Offering solutions tailored to the workplace

Today, DX is required in all industries and business types. Toshiba Tec's MFPs offer solutions to those needs, helping our customers to improve the efficiency of their operations.

The effective use of paper and electronic information leads to future value not only in offices, but also in other workplaces such as factories. Connecting to Document Management Systems (DMS) enables the digitization of paper documents, automates data transfer into workflows, and connects to external systems.

Many logistics and factory workplaces have large volumes of handwritten ledgers and information on paper media. In the case where these information needs to be captured into the internal system the text can be read using AI-OCR solutions which will be automatically transferred into operational apps and core systems by scanning, OCR and using Robotic Process Automation (RPA).

Moreover, special paper can be used for printing to make POP displays in store and for notices to be posted on office or factory bulletin boards. Printing can also be performed on water-resistant paper which eliminates the process of laminating and greatly reduces time spent for such tasks.



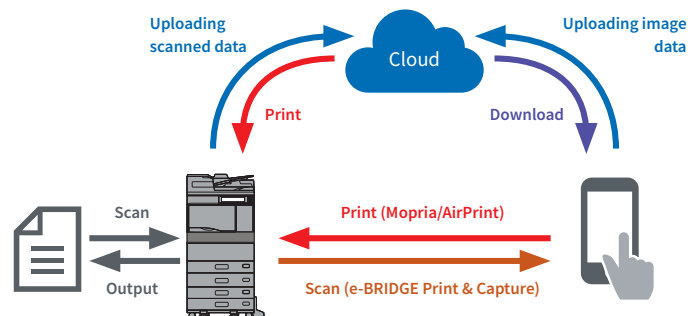


Contributing to operational efficiency improvements

Today, with the acceleration of mobile and remote work, businesses need operational environments that are equivalent to the office environment anytime anywhere.

Toshiba Tec's MFPs can be connected to a variety of cloud services, making it possible to perform operations such as printing data stored on the cloud and storing scanned data onto the cloud.

Using AirPrint, Mopria, and other mobile printing services, data can be accessed at anytime from anywhere, contributing to greater operational efficiency.



Safer and more secure

The digitization of information handled in business requires strong information security to ensure that information is not leaked.

Toshiba Tec MFPs features individual-based authentication that can restrict use of functions and data access. With a special hard disk drive additionally installed, you can prevent information leaks should the drive be stolen from the MFP, because in such a case the data will be automatically invalidated.

We also provide a cloud-based environment globally for device management, enabling MFPs to be connected to the cloud so that they can be used in a stable manner helped by remote monitoring and diagnosis systems.

In addition to its CSR efforts, Toshiba Tec is also making efforts to contribute to the SDGs (Sustainable Development Goals) through its businesses and corporate activities.

For example, our Paper Reusing System "Loops," an MFP capable of paper reuse, reduces paper use, water use, and the generation of CO₂, thus contributing to efforts to resolve environmental issues and achieve the SDGs.



Auto-ID Solutions

Supporting greater operational efficiency with a wide variety of barcode printer lineup

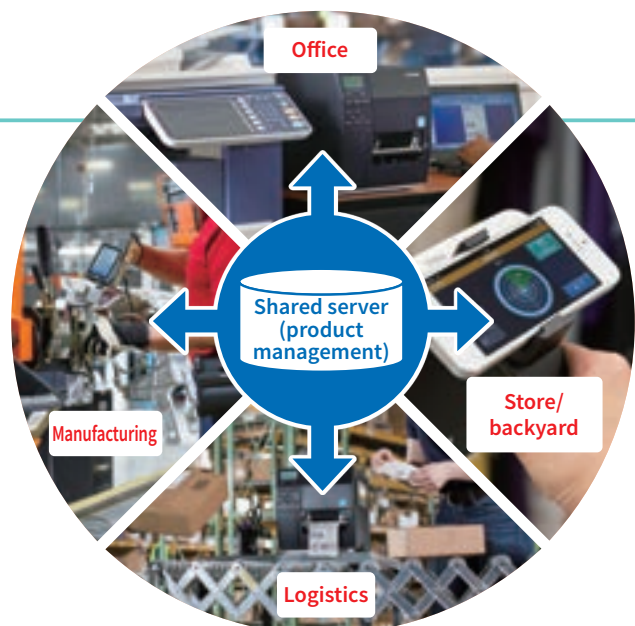
For a product to reach a user, it takes many companies, including manufacturers, wholesalers, logistics operators, and retail stores. The key to increasing profitability by minimizing risks arising from a mismatch between supply and demand, such as stock-outs and excess inventories, is information exchange beyond boundaries of those companies. Using Auto-ID technology such as barcodes, RFID, and images, Toshiba Tec provides strong support for setting up a Supply Chain Management (SCM) system in a wide range of areas.



Offer optimum solutions by effectively using RFID

The key for building an optimum SCM is the development of a mechanism to share the latest information in real time using Auto-ID technology such as barcodes, two-dimensional codes, and RFIDs.

Toshiba Tec boasts a solid track record in POS systems and barcode systems. By fully leveraging this advantage, we offer optimum solutions by making use of RFID in fields ranging from improving the efficiency of inventory operation to obtaining meticulous marketing data and support the business process improvement of customers regardless of industry or business format.



Global services

Significant improvements in on-site operations with automated labeling system solutions

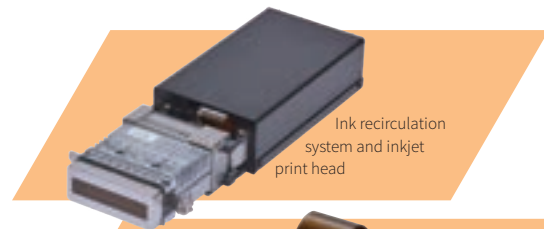
Barcode labels are used in various business situations, such as product labels and shipping labels. This solution automates on-site label printing and affixing tasks, greatly improving on-site operations. Installation and adoption of this product is quick, offering high quality prints at high speed 30 labels per minute, and accommodates a variety of label sizes.



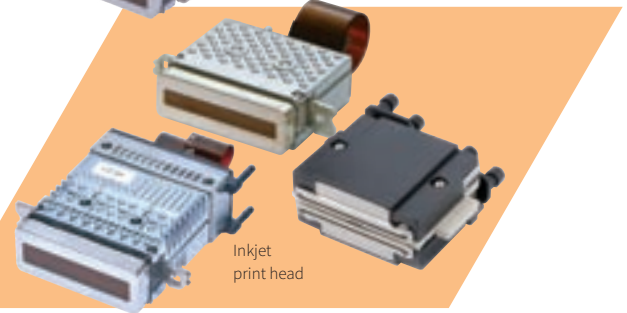
Inkjet Solutions

Meeting printing requirements on various fields

Inkjet technology enables not only printing of conventional documents and graphics but also high-quality printing on an expanded variation of materials and shapes. Toshiba Tec responds to printing requirements in various fields with its high quality and reliable inkjet solutions and supports customers' new value creation.



Ink recirculation system and inkjet print head



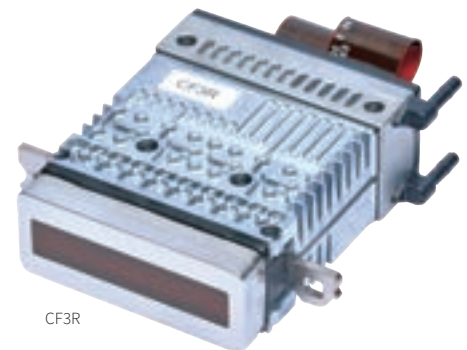
Inkjet print head

The only inkjet print head in the industry that recirculates fluid near the nozzle and realizes resolution of 300 npi per row

An inkjet print head is the key device of inkjet printers, and can print without directly contacting the media.

High resolution, high reliability inkjet print heads developed, manufactured, and sold by Toshiba Tec plays an essential role in printing technology that is evolving day by day.

The latest CF3R print head recirculates fluid inside the print head and realizes highly stable jetting and low wasted fluids which leads to eco-friendliness. Not only does a single print head print one color at a resolution of 600 npi but also two colors at a resolution of 300 npi each, contributing to making printers smaller.



CF3R

► Inkjet Solutions

Toshiba Tec staff directly communicates with customers, confirms requests, and presents proposals for solutions. In offering inkjet solutions to customers starting up or expanding a business, we will pursue business support in sync with the customer, providing not only inkjet print heads but also peripheral devices including ink recirculation systems and technical support.

Applications in the industrial field

Toshiba Tec's inkjet print head technology can be applied to various industrial fields from outdoor billboards to product labels/packages and corrugated boxes with increasing demand in line with the development of logistics.



Graphics: Billboards



Logistics materials: Corrugated boxes



Packaging materials: Labels/packages

R&D ACTIVITIES

Under the basic philosophy of providing timely products and services with reliable quality and functions as well as high user-friendliness, creating value with our customer in mind through our superior proprietary technology and in collaboration with the world's best partners, the research and development/design divisions of the group companies are closely cooperating with each other to aggressively work on advanced technology development, element technology development, and product development.

Total R&D costs for the fiscal year under review amounted to 21,949 million yen. R&D activities by reporting segment are as follows.

Retail Solutions Business

R&D cost **11,535** million yen

In the Retail Solutions Business, we aim to be a global top solutions partner in the distribution industry. Under this management policy, we engage in joint research and development of ELERA subscription-based global retail platform through co-creation with strategic partners in Japan and overseas. In addition, we carry out research and development of POS systems, electronic cash registers, and image scanners. R&D cost amounted to 11,535 million yen, with main achievements as follows.

● Development of Pipit (Beep) Self mobile self-checkout system

We have developed the Pipit (Beep) Self mobile self-checkout system, which allows customers to read barcodes while shopping and pay at the accounting machine, using their own smartphones or store shopping carts with tablet devices. The system was released in 2022. This service is built on the ELERA global retail platform, the development of which we have been driving forward.

● Launching of OrderLinkage service which links online ordering services with store POS systems

In March 2022, we launched OrderLinkage for restaurants, which enables linkage between online ordering services, including food delivery and mobile ordering, and store POS systems. This service is built on the ELERA global retail platform, the development of which we have been driving forward.

● The release of ELERA Loyalty and Promotions for customer analysis and promotion and development of a next-generation POS application, ELERA Point-of-Sale

In February 2022, we released ELERA Loyalty and Promotions, which enables overseas customer analysis and promotion. Furthermore, we have developed a next-generation POS application, ELERA Point-of-Sale, and plan to release it in fiscal 2022. Adopting micro service architecture allows the speedy development of new use cases. This service is built on ELERA global retail platform, the development of which we have been driving forward.

● Development of SS-NEX series for self-checkout and accounting/charging machines

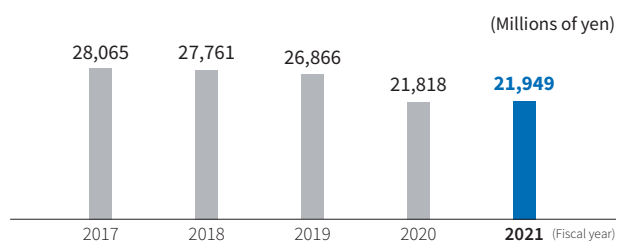
We have developed the SS-NEX series, a new lineup of self-checkout and accounting/charging machines that allow consumers to go through the checkout process by themselves, from product registration to payment. The series is scheduled to be released in fiscal 2022. By adding a sub-scanner to the scanner installed on conventional machines, we improved barcode scanning accuracy. Redesigned bagging area reduces the burden of bagging.

● Release of TCx810 series and TCx810E series for touch terminals

In November 2021, we released the TCx810 series as successor models of the TCx800 series for touch terminal for overseas specialty stores. The products feature the latest 11th generation Intel processors, with the lineup of 15-inch, 15.6-inch, and 19.5-inch displays. Simultaneously, we released the TCx810E series as entry models.

Total R&D costs in the fiscal year under review:

21,949 million yen



Workplace Solutions Business

R&D cost **10,413** million yen

In the Workplace Solutions Business, we conduct research and development of digital MFPs, Auto-ID systems, printers and other electrophotographic technologies, optical design, document feeder device, print controller and image-forming technologies, as well as inkjet print heads. R&D cost amounted to 10,413 million yen, with main achievements as follows.

● Development of e-STUDIO series medium-speed range A3 MFPs

We have developed the e-STUDIO series for medium-speed range A3 MFPs, which are compact and full-featured. The products will be released in fiscal 2022. The new series features a higher copy/print speed of 65 pages per minute. We not only improved the performance of basic functions, including the automatic double-sided reading device with a double-feed detection function and the external high-capacity paper input device, but also added fault prediction and other functions and strengthened security.

● Addition of new functions to e-STUDIO series for A3 MFPs

In response to significant changes in the office environment, we added new functions to the e-STUDIO series for A3 MFPs launched in 2018 and released the new products in August 2021. The new functions include printing without a printer driver and remote support for MFP settings change through screen sharing.

● Creation of on-demand printing service prototype using function to print on special paper

Taking advantage of our MFPs' function to print on special paper, we created a prototype of a build-in application that realizes on-demand printing services. We participated in various exhibitions, where we printed pictures and photos on clear folders and magnet sheets and offered them as giveaways to visitors to our booth for opinion collection and demand survey.

● Upgrade of B-EX series for label printers

We upgraded the B-EX series for label printers. We enhanced product competitiveness by increasing printing productivity with faster cutter motion, adding internal fonts requested by a number of customers, expanding the use of QR codes, and improving operational efficiency for user managers with BCP RFID Analyze Tool that optimizes adjustments of RFID writing.

● Adding of new function to support SOTI Connect to BA400 series and BV410D series for desktop-type label printers

We developed an additional function to make SOTI Connect2, an IoT management solution, available for the BA400 series and BV410D series for desktop-type label printers. This function enables the management of printer life cycle, thereby improving operational efficiency.

*Product and service names are registered trademarks or trademarks of respective companies.

*SOTI Connect is an IoT management solution offered by SOTI Inc. It enables effective management and visualization of a large number of diverse IoT devices and reduces the total cost of ownership for such devices.

Environment

ENVIRONMENT

With everyone, we will strive for a future that looks after the environment.

We put concern for the environment as a priority in all our business activities so as to protect people's safety and health as well as the world's natural resources.



Toshiba Tec's Environmental Policy

Toshiba Tec Group formulated the Basic Policy for the Environment based on the corporate philosophy, "Create with You -Keeping our customers in mind all the time and everywhere-."

► Toshiba Tec Group's Basic Policy for the Environment

Toshiba Tec Group holds environmental initiatives to be one of its top priority tasks in corporate management, guided by the "Management Policy of the Toshiba Tec Group." We will strive to create enriched value and ensure harmony with the world for people around the globe now and in the future. Through our environmental management that aims to achieve a decarbonized society, a resource circulating society, and a society in harmony with nature, we, as a solution partner which solves problems at customer sites including retail stores and offices, will contribute to the realization of a sustainable society and the achievement of the SDGs, such as response to climate change, sustainable consumption and production, and turn on the promise of a new day.

Promoting environmental management harmonized with business operations

- Toshiba Tec Group assesses the impacts of its business activities and products and services on the environment (including biodiversity), sets environmental impact reduction targets, and implements environmental activities.
- Toshiba Tec Group continuously improves its environmental management through audits and activity reviews.
- Toshiba Tec Group complies with all laws and regulations, industry guidelines it has endorsed, and its own standards on the environment.
- Toshiba Tec Group further raises employees' environmental awareness, and the company as a whole makes efforts for environmental protection.
- Toshiba Tec Group operates globally and promotes environmental activities throughout the Group accordingly.

Reducing environmental impacts through business activities and offering environmentally-conscious products and services

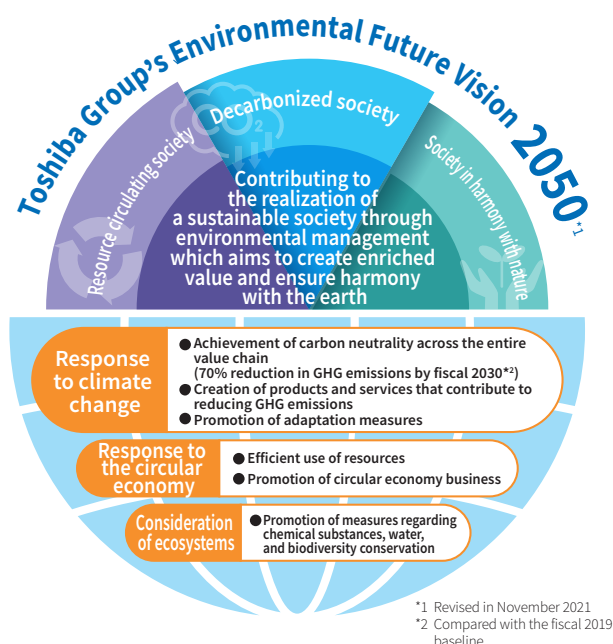
- Toshiba Tec Group recognizes that natural resources are finite, and it implements vigorous environmental measures to promote their effective, practical use in terms of both business activities as well as products and services.
- Toshiba Tec Group develops and provides environmentally-conscious products and services that contribute to reducing environmental impacts throughout their life cycle.
- In all phases of activities, including the design, procurement, manufacturing, logistics, sales, and disposal phases, Toshiba Tec Group implements measures to decrease environmental impacts, such as those for response to climate change, efficient use of resources, and management of chemical substances.
- Toshiba Tec Group considers what value and meaning it can provide to society and strives to develop environmental technologies for the future in order to contribute to realizing a sustainable society.

Working together with stakeholders

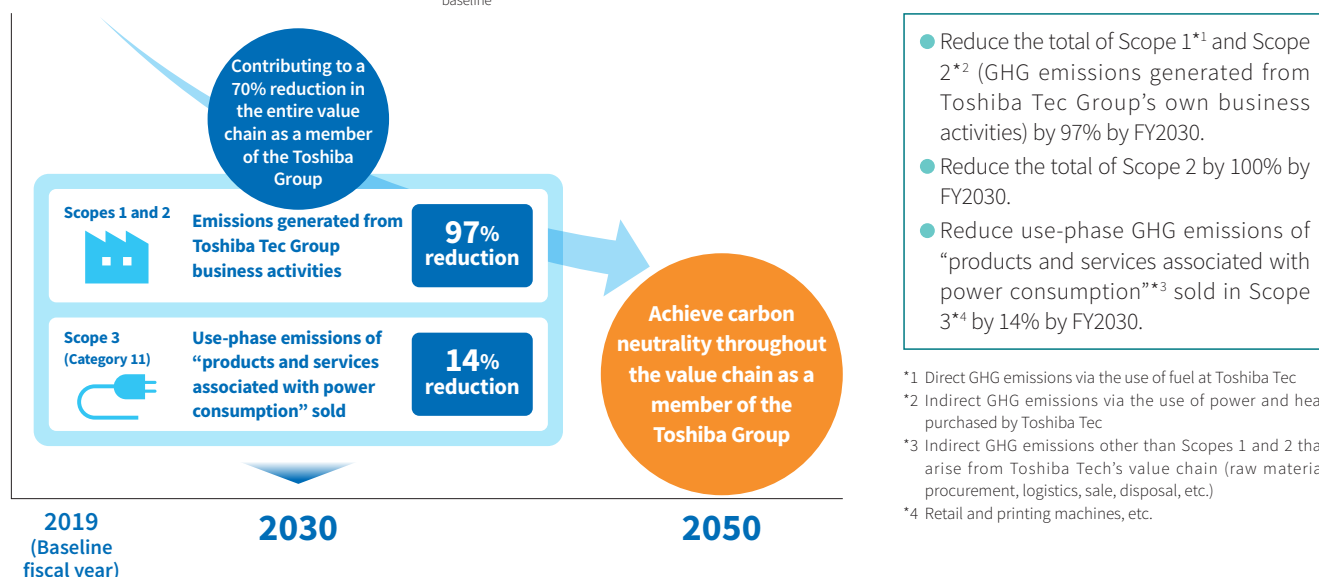
- Toshiba Tec Group actively communicates with stakeholders, such as local communities and society, and promotes environmental activities in collaboration with them.

Revised in April 2021

► Toshiba Group’s Environmental Future Vision 2050



As a member of the Toshiba Group, Toshiba Tec Group has set Environmental Future Vision 2050. With the goal of “contributing to the realization of a sustainable society through environmental management which aims to create enriched value and ensure harmony with the earth,” Environmental Future Vision 2050 aims to realize a sustainable society—in other words, a decarbonized society, a resource-circulating society, and a society in harmony with nature. To realize our vision in 2050, we will promote the implementation of initiatives in three areas, namely, “response to climate change,” “response to the circular economy,” and “consideration of ecosystems,” as important pillars of environmental management; strive to integrate business activities with environmental activities; and contribute to the realization of a sustainable society and the achievement of the SDGs, such as climate change mitigation and sustainable consumption and production. Toshiba Tec Group considers response to climate change as one of its important management issues. We aim to achieve carbon neutrality across our entire value chain, in line with the social goal of achieving net zero GHG emissions by 2050. The following targets for fiscal 2030 have been set as a step toward achieving our goal, and we will advance efforts.



► Acquisition of SBT Certification

For its targets for fiscal 2030*5, Toshiba Group has acquired the Science Based Targets (SBT)*6 certification. Toshiba Group will aim to renew the certification in accordance with the new SBT criteria.



*5 Targets for fiscal 2030 set before the revision of the Environmental Future Vision 2050 (i.e. before November 2021)
*6 Science Based Targets are scientifically grounded GHG reduction targets set by companies on a medium- to long-term basis in order to restrain the global average temperature increase to well below 2 degrees Celsius above pre-industrial levels and to pursue efforts to limit the temperature increase even further to 1.5 degrees Celsius. The targets are certified by the SBT initiative. Toshiba Group acquired the certification based on the targets for fiscal 2030 set before the revision of the Environmental Future Vision 2050 (before November 2021)

► Information Disclosure Based on the Task Force on Climate-related Financial Disclosures (TCFD) Recommendations

Toshiba Tec Group positions response to climate change as one of its important management issues and discloses information on climate change in the areas of governance, strategy, risk management, and metrics and targets specified by the TCFD.

Response to Climate Change (Information disclosure based on the TCFD recommendations)
<https://www.toshibatec.com/company/csr/environment/vision/climatic.html>

Promoting environmental management harmonized with business operations

► The Seventh Environmental Action Plan

Based on Toshiba Group's Environmental Future Vision 2050, Toshiba Tec Group has formulated the Seventh Environmental Action Plan, which consists of "response to climate change," "response to the circular economy," "consideration of ecosystems," and "enhancement of the basis of environmental management" and covers the period from FY2021 to FY2023. We set targets for each fiscal year and promote relevant activities. We achieved all targets for fiscal 2021.

Activity area	Activity content	Indicator	2021 Target	2022 Target	2023 Target	2021 Result		
Response to climate change	Business activities	Reduction of total GHG emissions (thousand t-CO ₂) ^{*1}	↓	52.0	42.4	35.9	48.6	
		Improvement of total energy-derived CO ₂ emissions per unit (t-CO ₂ /100 million yen)	↓	53.0	38.1	32.7	49.2	
	Products & services	Contribution to GHG reduction during product use (thousand t-CO ₂) ^{*2}	↑	547	669	662	624	
Response to the circular economy	Business activities	Reduction of waste volume (t) ^{*3}	↓	774	790	785	620	
		Improvement of the volume of waste generated per unit (t/100 million yen)	↓	1% improvement from the previous fiscal year			17% improvement	
	Products & services	Increased amount of plastic resources recycled (t) ^{*4}	↑	474	502	488	499	
		Increased amount of resources saved (thousand t) ^{*5}	↑	18.7	21.9	21.7	20.5	
Consideration of ecosystems	Management of chemical substances	Business activities	Reduction of the amount of chemicals discharged per unit (kg/100 million yen)	↓	1% improvement from the previous fiscal year			3% improvement
		Products & services	Reduction of specified chemical substances contained in products	Management in compliance with legal regulations in each country			Implemented as planned	
	Water resource management	Business activities	Improvement of the amount of water received per unit (m ³ /100 million yen)	↓	1% improvement from the previous fiscal year			12% improvement
Enhancement of the basis of environmental management	Conservation of biodiversity	Activities in line with the Post-2020 Global Biodiversity Framework		Initiatives at all manufacturing sites by setting five activity targets according to the new international goals		Implemented at all manufacturing sites		
	Environmental communication	Implementation of Global Environmental Action (GEA)		Initiatives at all manufacturing sites by setting a recommended activity theme for each fiscal year		Implemented at all manufacturing sites		
	Environmental risk & compliance	Environmental risk management and development of human resources in charge of the environment		Strengthening of environmental compliance systems at all sites by developing environmental auditors		1 auditor in Japan 3 auditors overseas		

*1 For calculation of CO₂ emissions from electricity, emission factors provided by each electric power company are used

*2 Obtained by deducting total GHG emissions of shipped products during product lifetime from total GHG emissions of assumed substitute products during product lifetime

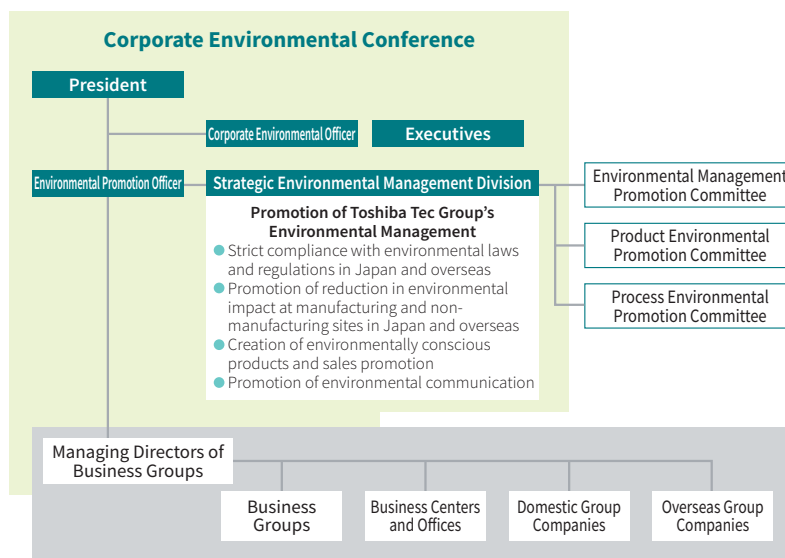
*3 Obtained by deducting the volume of valuable materials from the total volume of waste generated

*4 The amount of recycled plastics and bioplastics used (including packaging materials)

*5 Obtained by deducting total material input of shipped products from total material input of assumed substitute products

► Environmental Management Promotion Structure

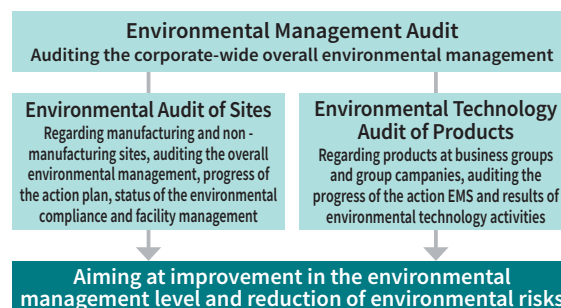
At Toshiba Tech Group, matters on climate change and other important environmental issues are reported from the Corporate Environmental Officer to the President at Management Committee meetings, if they are important and relevant to risks and opportunities that affect corporate management. Such matters are also reported to all directors including outside directors at Board of Directors meetings. What is deliberated and decided by the Board of Directors will be reflected in the Group's management strategy. Prior to the deliberation by the Board of Directors, policies, strategies, and measures related to the environment, including climate change, are discussed at the Corporate Environmental Conference chaired by the President (Environmental Management Promotion Officer). The conference takes place semiannually, with the participation of each business group's Environmental Management Officer, the Environmental Promotion Officer, the Corporate Staff Group Manager, and the Strategic Environmental Management Division.



► Environmental Audit

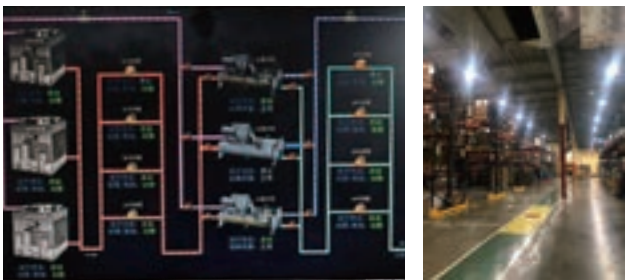
■ Toshiba Group's Comprehensive Environmental Audit System

Since fiscal 1993, we have been conducting environmental audits in accordance with the comprehensive Environmental Audit System established by Toshiba to improve environmental management. Based on this audit system, we conduct corporate-wide environmental management audits, environmental audits of manufacturing and non-manufacturing sites, and environmental technology audits of products at business groups on an annual basis. In fiscal 2021, self-audit and remote audit were introduced in response to the COVID-19 pandemic. In addition, we implemented training for all auditors to enhance the compliance system and develop human resources.



▶ Global Environmental Action

Based on the Seventh Environmental Action Plan, we have launched activities under five themes, adding “Nature” to the conventional themes of “Energy,” “Resources,” “Chemical Substances,” and “Water.” As has been the case in the past, we are committed to carrying out environmental contribution activities worldwide by setting a recommended theme each year. In fiscal 2021, a total of 88 activities were conducted under the recommended theme of “Energy.”



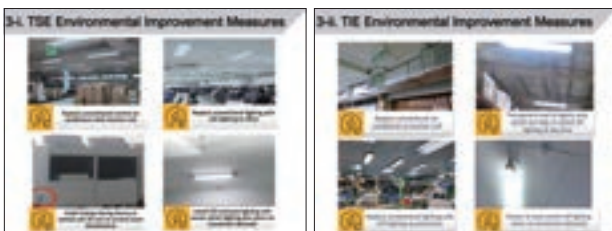
Automatic control of air conditioning and lighting facilities
Toshiba Tec Information Systems (Shenzhen) Co., Ltd., and Toshiba America Business Solutions, Inc. Toner Products Division



Utilizing exhaust heat from compressors for toner manufacturing as a heat source for heating
Toshiba Tec Europe Imaging Systems S.A.



50% reduction in night lighting in parking on the premises
Toshiba Tec Malaysia Manufacturing Sdn. Bhd.



Awareness raising toward energy saving through information distribution and web meetings
Toshiba Tec Singapore Pte Ltd. and P. T. Tec Indonesia, Toshiba Tec Shizuoka Business Center (Mishima and Ohito) and Toshiba Global Commerce Solutions, Inc.

▶ Approaches to Biodiversity Conservation Activities

Based on the Toshiba Group’s Policy, we roll out activities under five activity themes, which are grounded on six targets highly relevant to our business activities and selected from the Post-2020 Global Biodiversity Framework.* In fiscal 2021, we established a new policy for the activities and launched activities in accordance with the themes.

*We set themes based on the targets discussed in the draft 0.2 version of the Post-2020 Global Biodiversity Framework.

Toshiba Tec Head Office

We established the policy for biodiversity conservation activities in the Seventh Environmental Action Plan and started activities at manufacturing sites.



Toshiba Tec Shizuoka Business Center (Mishima and Ohito)

We have continuously engaged in research on and protection of rare species and endangered species. We have been engaged in growing *Mishimasaiko* (Bupleurum Root), an endangered species, through participation in a local conservation group, and also in breeding black Japanese rice fish in the business center.



Toshiba America Business Solutions, Inc. Toner Products Division

In cooperation with an external partner, the company has created green areas on the premises to conserve the ecosystem networks. The company has also been engaging in flower-planting and cleaning activities in the neighborhood.



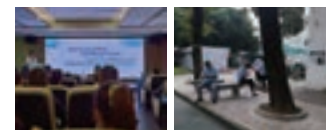
Toshiba Tec Europe Imaging Systems S.A.

The company conducted research on the status of invasive alien species living on the premises. *Berce du Caucase* (Giant Hogweed) was found and removed under the guidance of an external expert. The company is expanding its biodiversity conservation activities through joint activities with a school in the neighborhood.



Toshiba Tec Information Systems (Shenzhen) Co., Ltd.

The company actively participates in environment-related seminars organized by the government and deepens understanding of the importance of environmental activities including biodiversity conservation. Green areas are created on the premises to maintain a habitat for the fauna and flora.



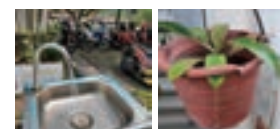
Toshiba Tec Singapore Pte Ltd.

The company actively engages in a wide range of biodiversity conservation activities, such as the creation of green areas on the premises, research on birds and butterflies flying in the neighborhood, reduction of single-use plastics, and tree planting activities.



P.T. Tec Indonesia

Water saving faucets have been introduced to save water resources amid hand washing recommendations to prevent the spread of COVID-19. The company has been growing *Nepenthes* (tropical pitcher plants), a rare species of plants.



Toshiba Tec Malaysia Manufacturing Sdn. Bhd.

Every June, the company offers environmental education to new employees to communicate the importance of environmental conservation. Amid concerns over increased water use due to hand washing recommendations, the company conducts awareness-raising activities by posting information for resource conservation on bulletin boards.

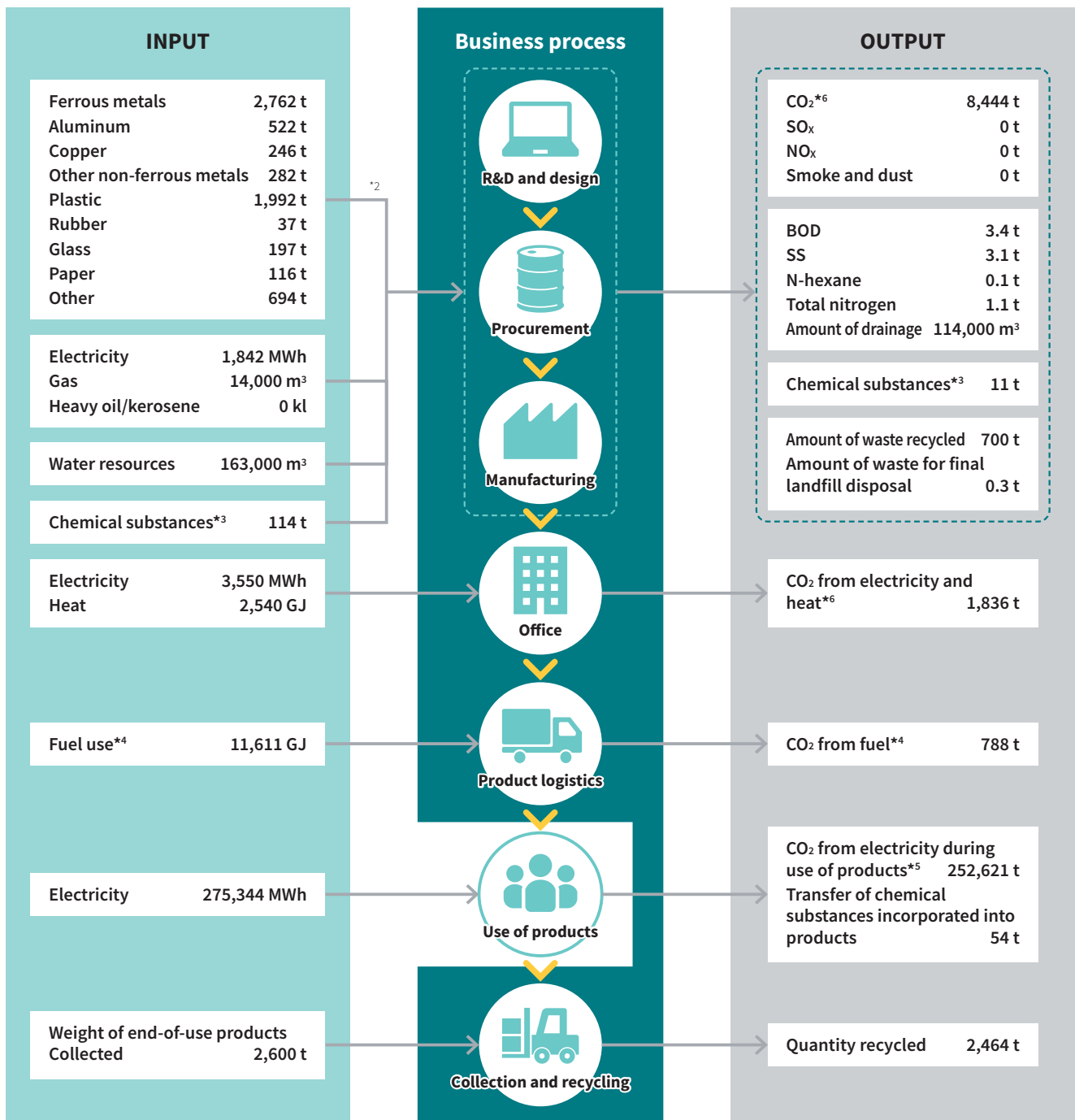


► Environmental Impact throughout the Life Cycle in Fiscal 2021

We reduce the environmental impact in our manufacturing processes and develop environmentally conscious products to understand, analyze, and reduce the impact at each stage of the product life cycle.

We procure raw materials and components from suppliers, and manufacture and ship our products. We transport finished products to distributors or warehouses via outsourced forwarding agents. Then, we collect end-of-use products from customers, wherever possible, for reuse and recycling. At the manufacturing stage, CO₂ emissions from total energy consumption at plants and offices were 8,444 tons and 1,836 tons respectively. Emissions of chemical substances into the atmosphere and water were 11 tons. The amount of waste recycled was 700 tons and the amount of waste landfilled was 0.3 tons. CO₂ emissions from major products shipped in fiscal 2021 throughout their product life is estimated to be 252,621 tons. We place the highest importance on curbing power consumption and CO₂ emissions, the two major sources of environmental impact throughout the life cycle of our products.

■ Environmental impact in fiscal 2021*1



*1 Target data tabulated: Toshiba Tec

*2 Inputs of materials and parts: Calculated based on material procurement data using the Toshiba Group's proprietary method

*3 Target chemical substances: 551 types specified by Toshiba

*4 Product logistics: All CO₂ emissions from outsourced transportation

*5 CO₂ during use of products: CO₂ emissions from major products shipped in fiscal 2021 throughout their product life

*6 CO₂ emission factor used for calculation is 5.31 t-CO₂/ten thousand kWh

► GHG Emissions in the Supply Chain

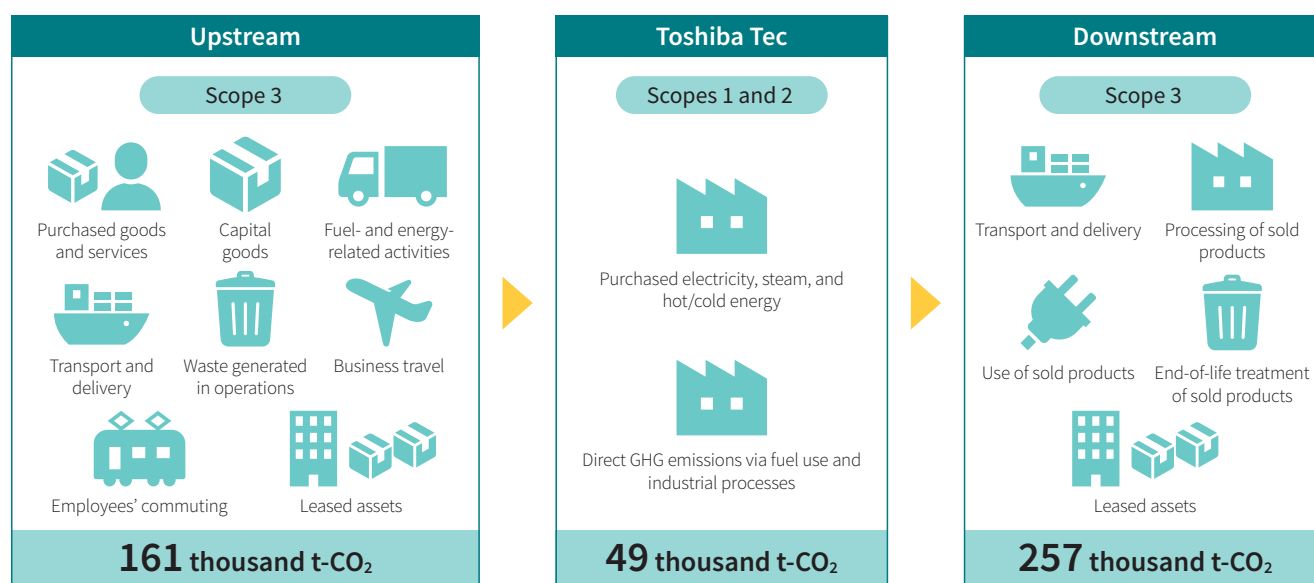
As climate change becomes an increasingly serious issue, companies must manage not only their own greenhouse gas (GHG)*1 emissions but also emissions generated across their entire value chain.

Based on the GHG Protocol*2, which provides international standards for calculating GHG emissions, and the Ministry of the Environment's Basic Guidelines for Calculating GHG Emissions throughout the value Chain, Toshiba Tec Group calculates indirect GHG emissions generated outside the scope of its own business activities (Scope 3) in addition to its own emissions (Scopes 1 and 2) in accordance with Toshiba Group's Policy.

Toshiba Tec Group will continue working effectively throughout product lifecycles by quantitatively analyzing emissions per category as described above.

*1 CO₂, CH₄, N₂O, HFCs, PFCs, SF₆, NF₃

*2 The Greenhouse Gas Protocol (GHG Protocol): Guidelines for calculating and reporting GHG emissions formulated by companies, NGOs, and government organizations around the world under the leadership of the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD)



Classification	Category	FY2020 calculation results (thousand t-CO ₂)	FY2021 calculation results (thousand t-CO ₂)	Percent change in emissions	Remarks
Up-stream	1 Purchased goods and services	98.6	102.3	104%	
	2 Capital goods	42.5	42.7	100%	
	3 Fuel- and energy-related activities not included in Scope 1 and 2	8.9	10.7	121%	
	4 Transport and delivery (upstream)	2.3	2.3	101%	
	5 Waste generated in operations	0.2	0.2	94%	
	6 Business travel	1.6	1.6	103%	
	7 Employees' commuting	1.0	0.8	75%	
	8 Leased assets (upstream)	—	—	—	This category does not apply to Toshiba Tec's business.
Toshiba Tec	9 Direct emissions (Scope 1)	3.0	3.1	101%	
	10 Indirect emissions associated with energy use (Scope 2)	48.8	45.5	93%	The figures include contribution based on environmental value certification.
Down-stream	11 Transport and delivery (downstream)	—	—	—	This category does not apply to Toshiba Tec's business.
	12 Processing of sold products	—	—	—	This category does not apply to Toshiba Tec's business.
	13 Use of sold products	275.5	252.6	92%	
	14 End-of-life treatment of sold products	3.8	4.2	109%	
	15 Leased assets (downstream)	—	—	—	This category does not apply to Toshiba Tec's business.
	16 Franchising	—	—	—	This category does not apply to Toshiba Tec's business.
	17 Investment	—	—	—	This category does not apply to Toshiba Tec's business.
Total		486.3	466.1	96%	

Offering of Environmentally Conscious Products and Services

We pursue the creation of products with the highest environmental performance and reduce environmental impact throughout the life cycle of all products developed.

► Development of Products with the Highest Environmental Performance

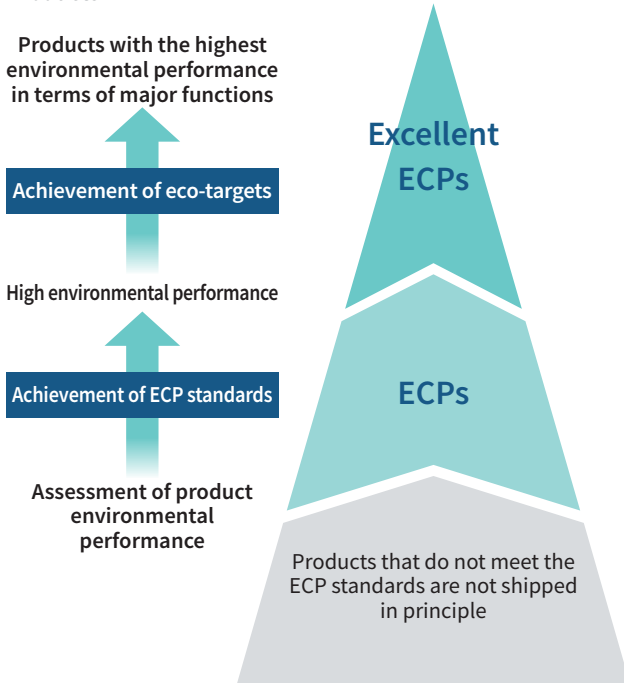
We pursue the highest level of environmental performance for all products developed, and advance activities aimed at reducing the environmental impact throughout the product life cycle. First, at stages of business strategy formulation and product planning, we set eco-targets for the products to be developed with technological and competitor trends in mind, which will result in the highest environmental performance at the time of their release. Then, at the stage of development and design, we conduct environmental assessments to make sure that products comply with laws and regulations and meet the ECP*1 standards in all three aspects (mitigation of climate change, efficient use of resources, and management of chemical substances) at each stage of the product life cycle.

At the stage of product approval, we check the level of achievement of eco-targets and compliance with the ECP standards, and then, certify those products with the highest environmental performance as Excellent ECPs.

With the growing demand for social infrastructure in every part of the world, there is concern that consumption of electricity and resources may swell. In order to reduce the environmental impact, we aim at creating and further increasing the number of Excellent ECPs with the highest environmental performance in the industry.

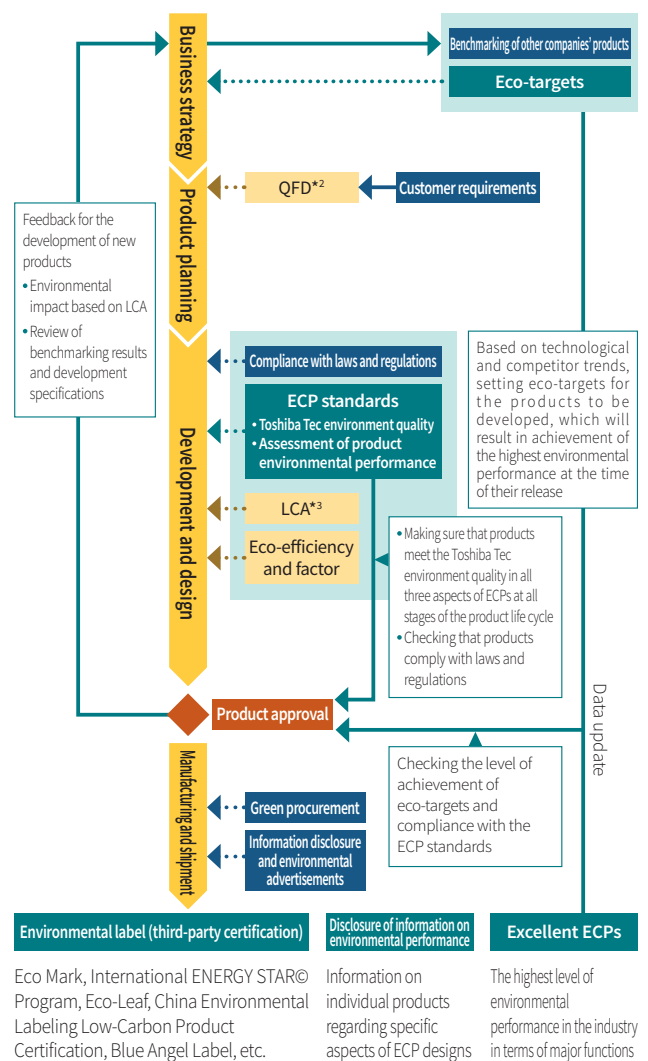
*1 Environmentally Conscious Products (ECPs) are designed to minimize the environmental impact at all the stages of the product life cycle from procurement of materials to manufacturing, distribution, usage, disposal, and recycling.

Basic Policy for Creation of Environmentally Conscious Products



Mitigation of climate change	Efficient use of resources	Management of Chemical Substances
<ul style="list-style-type: none"> Reductions in power consumption Reductions in standby electricity consumption Visualization of power consumption Energy-saving mode Shipment mode, etc. 	<ul style="list-style-type: none"> Reductions in the use of raw materials Use of recycled materials Ease of disassembly Reductions in the use of packaging materials Reductions in the use of supplies Upgrades, longer useful lives, etc. 	<ul style="list-style-type: none"> Reduction in the use of specific hazardous substances Green procurement Distribution of information on chemical substances Compliance with chemical substance regulations in different countries, etc.

System for Creation of Environmentally Conscious Products



*2 QFD: Quality Function Deployment
*3 LCA: Life Cycle Assessment

▶ Major Products Certified as Excellent ECPs

e-STUDIO6528A Monochrome MFP (overseas model)

Released in August 2022

Energy-saving Top-level Typical Electricity Consumption (TEC)^{*1} by improving thermal conductivity of the fusing belt and succeeding use of low-temperature fusing toner



e-STUDIO5015AC Color MFP

Released in November 2018

Energy-saving Top-level^{*1} Typical Electricity Consumption (TEC) by improving thermal conductivity of the fusing belt and success in the use of low-temperature fusing toner

Resource-saving Highest^{*1} amount of resource use saved through increase in the recycled plastics use ratio resulting from the use of materials with high content of post-consumer recycled plastics



e-STUDIO7516AC Color MFP

Released in November 2018

e-STUDIO5518A/6518A/7518A/8518A Monochrome MFPs

Released in November 2018

Energy-saving Top-level TEC^{*1} achieved by using high efficiency IH fuser unit and low-temperature fusing toner



M-9000 Series POS system

Released in September 2017

Lowest^{*1} standby power for applications^{*2} through the use of power-saving parts and human sensors
Smallest in size and lightest in weight^{*1} by downsizing the control unit and changing the mounting position to the back of the display

Energy-saving Standby power for applications^{*2}:
Approx. 45% reduction^{*3}

Resource-saving Mass: Approx. 35% reduction^{*3}



IS-910T vertical type object recognition scanner

Released in October 2013

A POS system scanner that can identify the type of produce by color and pattern, using Toshiba Tec's one-of-a-kind image recognition technology

Energy-saving Equipped with energy-saving mode that cuts standby power consumption by approx. 15%^{*4}

Resource-saving The scanner helps reduce the use of food trays, wrapping, and labels, as it directly recognizes fruits and vegetables



^{*1} As of the time of product launch; the current status is not guaranteed.
^{*2} Power consumed while in standby mode for registration of purchases
^{*3} Compared to the M-8000 system with a 15-inch display
^{*4} Compared to IS-890T

▶ Green Procurement

As our environmental effort at the stage of raw materials procurement, we are committed to green procurement with an aim to procure materials with a lower environmental impact.

■ Suppliers' activities for environmental conservation

We prioritize suppliers who perform proactive activities for environmental conservation. We have prepared the Guidelines for Green Procurement in Japanese, English, and Chinese to check the status of implementation of suppliers.

■ Data utilization

We request our suppliers to provide data on chemical substances contained in the material to be supplied, and use the information management system for chemical substances contained in products to aggregate the data. We utilize the collected data to develop ECPs.

■ Control of environment-related substances in items for procurement

We request our suppliers to comply with environment-related laws, regulations, and control standards, such as RoHS and REACH that are originally established in Europe but now, widely implemented in the rest of the world. We also request them to provide parts and raw materials with a lower environmental impact.

Control of environment-related substances

1. Familiarize all related divisions and suppliers with control of environment-related substances
2. Fulfill the requirements for control of environment-related substances
3. Complete the survey on the status of use of environment-related substances
4. Obtain information necessary to complete the above survey
5. Perform sample tests or obtain sample test results from suppliers if necessary
6. Investigate suppliers' control systems
7. Stay updated on which chemical substances will be prohibited

▶ Worldwide Collection and Recycling

We are committed to collecting and recycling end-of-use products on a global basis.

■ Japan

We collect end-of-use products at our sales sites and perform process checks on recycling contractors to increase the collection and recycling rates.

■ Overseas

In Asia, Europe, Australia, and North America, we implement the end-of-use MFP and toner cartridge collection and recycling program in collaboration with other companies.

Reduction of environmental impact in business activities

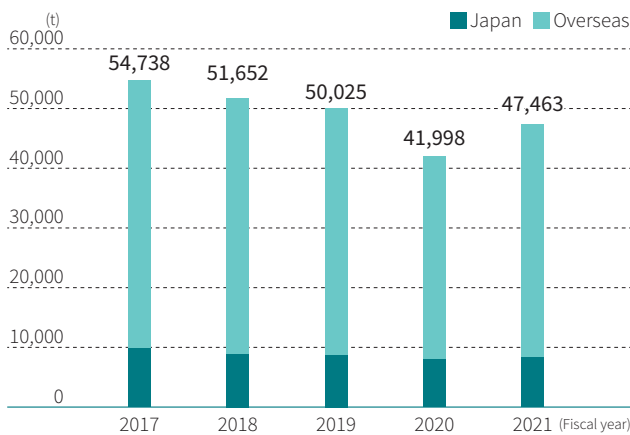
From the perspectives of “response to climate change,” “response to the circular economy,” and “management of chemical substances,” Toshiba Tec Group promotes the reduction of the environmental impact in “Monozukuri,” through product manufacturing by improving the efficiency of plant infrastructure and manufacturing processes worldwide.

▶ Response to Climate Change

■ Minimizing CO₂ emissions due to energy consumption

We effectively use energy to reduce CO₂ emissions. We continue to reduce CO₂ emissions through the systematic implementation of measures such as switching to LED lighting and upgrading to energy-saving equipment mainly at overseas sites by effectively using subsidies. Our multifaceted emission reduction initiatives also include the greening of rooftops and installation of solar panels.

Changes in CO₂ emissions at manufacturing sites

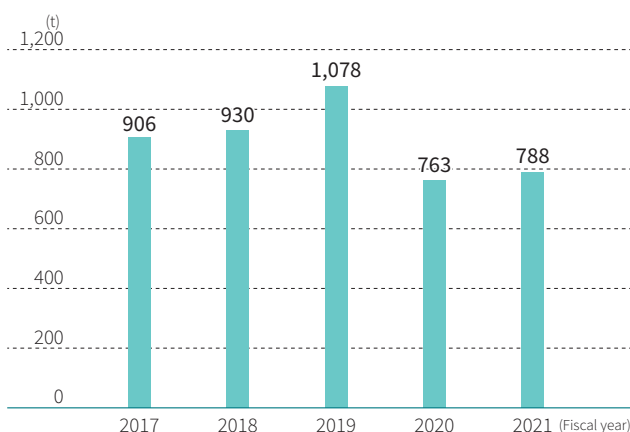


Note: Receiving-end power is used for the CO₂ emissions factor in Japan; 5.31t-CO₂/ten thousand kWh for fiscal 2017 and after. For overseas, WRI/WBCSD GHG Protocol data for 2009 is used for fiscal 2017 and after.

■ Minimizing CO₂ emissions associated with product transportation

We switched from individual shipping to full truckload shipping for imported parts to increase load efficiency, leading to a reduction in the number of trucks required. We also reduced the size and weight of new products that were developed to control CO₂ emissions associated with product transportation. Emissions increased in fiscal 2018 and 2019 due to the growth in domestic sales of POS systems and decreased in fiscal 2020 partly due to the impact from the COVID-19 pandemic. However, in fiscal 2021, emissions increased as our operating results recovered. We will continue our efforts to minimize emissions.

Changes in CO₂ emissions associated with domestic product transportation



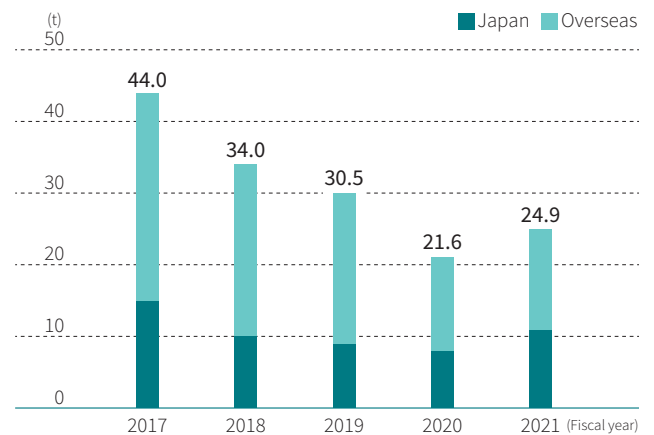
▶ Management of Chemical Substances

■ Minimizing emissions of chemical substances used in the manufacturing process

We classify chemical substances applicable to the environmental laws and regulations into three types: “prohibition,” “reduction” and “control”.

We strive to reduce emissions of chemical substances, which are classified into “reduction,” into the atmosphere and water that directly affect the environment. We will continue to reduce emissions by introducing manufacturing equipment with low emissions of chemical substances and reviewing the process.

Changes in emissions of chemical substances

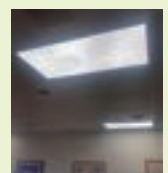


TOPICS

Response to Climate Change

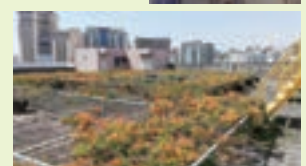
Switching to LED lighting

Every year, we change lightings to LED lightings at all sites in a planned manner, thereby promoting energy saving.



Toshiba Tec Information Systems (Shenzhen) Co., Ltd.

As an initiative to mitigate the climate change, the company expanded green roofs, which helps to curb the temperature rise in the building as well as CO₂ emissions.

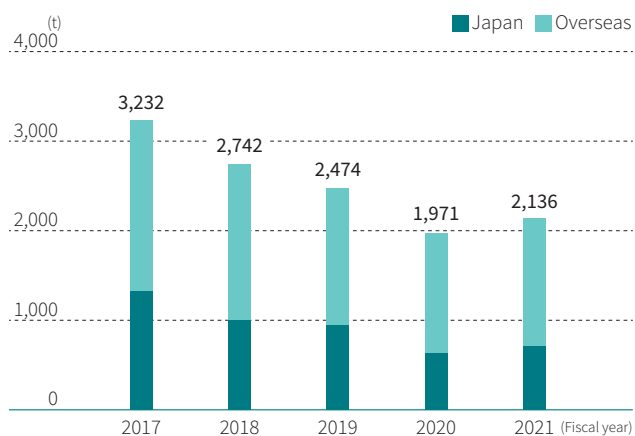


▶ Efficient use of resources

■ Minimizing the increase in the total volume of waste generated

To efficiently use resources, we work on the reduction of the total volume of waste generated. We also visit recycling bases in Japan, directly assess the processing status, and are striving to improve communication with them to increase recycling rates. We will continue working on the efficient use of resources in the future.

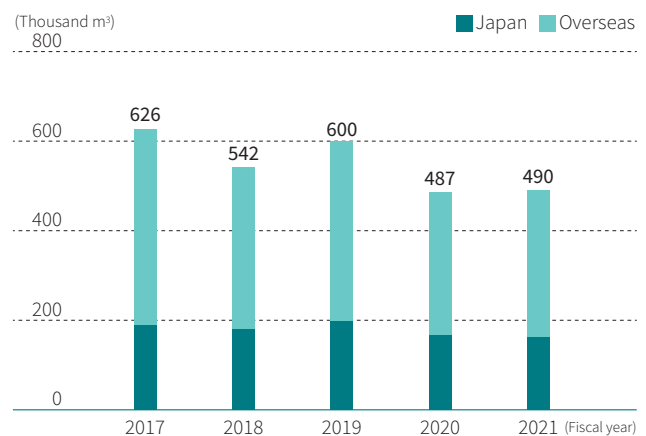
Changes in total volume of waste generated



■ Efficiently using water resources

Of the water we receive, only a small amount is used in the manufacturing process, while most of it is used for daily needs including toilets, canteen, and company dormitories. Our water usage remained relatively stable. We have been encouraging our employees to save water through posters and other means. We also ran a campaign under the annual environmental theme to promote the use of rainwater at all sites. These efforts will continue in the years to come. Water usage increased in fiscal 2019 from the level of 2018 owing to damaged underground water pipes (overseas site) and a broken float switch (domestic site). In response to these incidents, we are working on the improvement of methods for facility inspection and replacement of aged equipment so as to prevent further loss of water resources caused by equipment failures. In fiscal 2020 and 2021, water usage decreased because more employees worked from home due to the COVID-19 pandemic.

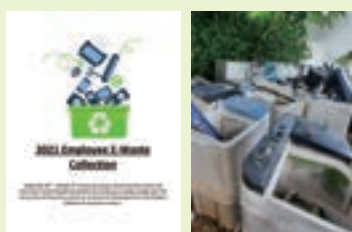
Changes in the amount of water received



Efficient Use of Resources

Toshiba America Business Solutions, Inc. Toner Products Division, Toshiba Tec Singapore Pte Ltd., and P. T. Tec Indonesia

The companies collect end-of-use electric appliances and electronic devices (e-waste) and hand them over to appropriate professional contractors for recycling.



Environmental Risk Education for Contractors

Toshiba Tec Shizuoka Business Center (Ohito)

We offer environmental risk education to our contractor that runs the employee canteen, thereby preventing environmental pollution.



TOPICS

Environmental Accounting

We adopt environmental accounting to quantitatively understand the environmental conservation costs and benefits, and utilize the quantitative data as guidelines for our business activities. For environmental conservation costs on a consolidated basis in fiscal 2021, total capital investments were 240 million yen and total expenses were 640 million yen. Total environmental benefits were 1.55 billion yen.

Target sites: Toshiba Tec Head Office, Shizuoka Business Center, 1 domestic and 6 overseas manufacturing group companies
 Target period: April 1, 2021 to March 31, 2022
 Note: Some figures are estimates.

Environmental conservation costs

(Millions of yen)

Category	Description	Investments		Costs		Changes in costs from FY2020	
		Consolidated	Non-consolidated	Consolidated	Non-consolidated	Consolidated	Non-consolidated
(1) Business area costs	Reduction of environmental impacts (i) to (iii)	238.7	112.2	144.9	89.0	4.0	-2.2
(i) Pollution prevention costs	Prevention of air, water, and soil pollution, etc.	7.1	4.2	32.1	10.0	-1.7	-2.6
(ii) Global environmental conservation costs	Global warming prevention, ozone layer protection, etc.	231.7	107.9	67.1	53.8	-1.2	-2.4
(iii) Resource recycling costs	Recycling of waste, etc.	0.0	0.0	45.7	25.1	6.9	2.7
(2) Upstream/downstream costs	Green procurement, collection/recycling of end-of-use products, etc.	0.0	0.0	125.4	125.4	-70.3	-70.3
(3) Administration costs	Establishment of EMS, environmental education, tree planting/clean-up activities, etc.	0.0	0.0	246.0	233.0	-20.8	-21.4
(4) R&D costs	Technical development for ECPs, etc.	0.0	0.0	121.2	121.2	7.7	7.7
(5) Social costs	Donations and support to groups/organizations, etc.	0.0	0.0	0.1	0.0	0.0	0.0
(6) Environmental damage restoration costs	Recovery of soil pollution, etc.	0.0	0.0	0.1	0.1	0.0	0.0
Total		238.7	112.2	637.7	568.7	-79.4	-86.2

Environmental conservation benefits

(Millions of yen)

Category	Description	Amounts	Calculation method
A Actual benefits	Reduced charges for electricity and water, etc.	-144.1	The amount of money, such as electricity charges and waste disposal costs, that was saved compared with the previous year, plus earnings from the sale of objects with value.
B Assumed benefits	Reduced environmental impacts on water and atmosphere in monetary value	-317.6	The amount of money was calculated by multiplying the cadmium equivalent value of each substance obtained from environmental standards and the American Conference of Governmental Industrial Hygienists Threshold Limit Value (ACGIH-TLV) by damage compensation for cadmium pollution. This method of calculation provides a means of showing reductions in environmental impacts on the atmosphere, hydrosphere and soil and makes it possible to compare the environmental impacts of different substances using the same standard by converting the impacts into monetary values.
C Customer benefits	Benefits of impacts reduced during product use in monetary value	2,008.5	Environmental impact reduction benefits during product use are evaluated in physical quantity units and monetary units. Energy-saving benefits are calculated by using the following equation: Benefits (yen) = Z [(electricity consumption per year of the former model — electricity consumption per year of the new model) × number of units sold per year × benchmark unit price of electricity charge]
Total amount		1,546.8	

A Actual benefits

Item	Reduction of environmental impact*	Benefits measured in monetary values (millions of yen)
Energy	-88,100 GJ	-159.7
Waste	-145.3 t	7.4
Water	-4,200 m ³	8.2
Total amount		-144.1

B Assumed benefits

Item	Reduction of environmental impact*	Benefits measured in monetary values (millions of yen)
Benefits from reduction of chemical substances emissions	-6.0 t	-317.6

C Customer benefits

Item	Reduction of environmental impact*	Benefits measured in monetary values (millions of yen)	
Benefits from reduction of environmental impact during product use	Electricity	50,270,000 kWh	1,357.2
	Paper rolls	1,104 t	651.3
Total amount		2,008.5	

* The reduction of environmental impact indicates the differences between fiscal 2020 and 2021. Negative figures show an increase in environmental impact beyond the benefits from reduction due to increased production, etc.

Environmental Communication

Information Disclosure

Recognitions and commendations from external parties

Toshiba Tec was selected again, following the previous year, as a constituent of the Somo Sustainability Index, which is independently developed by Somo Asset Management Co., Ltd. The constituents of the index will be referenced in the company's Somo Sustainable Asset Management. Somo Sustainable Asset Management is an ESG asset management product for pension funds and institutional investors, which was launched in August 2012 by Somo Asset Management Co., Ltd. and invests in a wide range of companies highly recognized for environmental, social, and governance (ESG) initiatives. Toshiba Tec has been selected for five consecutive years in recognition of its ESG initiatives.



Communication and Development of Environmental Awareness

Environmental education

We annually provide e-learning training on general knowledge and trends in the environmental as well as the overall environmental management of Toshiba Tec Group for all employees.

Internal PR activities

At Shizuoka Business Center, we issue “environmental news” every month. The news is distributed by e-mail or posted on the bulletin board, allowing employees to share with their family members. Through the news, we request employees to cooperate in carrying out environmental activities, such as environmental management and power saving.





Social

Social

We work on people-oriented management and CSR through supply chains. We put our customers first when developing and providing products and services.



Respect for Human Rights

We comply with universal principles regarding human rights and labor practices worldwide, and respect human rights through sound business activities.

► Policy on Respect for Human Rights

We designate “Respect for Human Rights” as Article 1 in the Toshiba Tec Group Standards of Conduct to which Toshiba Tec Group’s executives and employees must adhere. In addition to compliance with laws and regulations, our Standards of Conduct stipulate respect for basic human rights and oppose child labor and forced labor as a fundamental policy.

The Standards also stipulate that we shall respect basic human rights, individuality and privacy, and embrace a diverse set of values among individuals, and refrain from human rights violations such as physical violence, sexual harassment, abuse of power (workplace bullying or harassment), and discriminatory remarks and actions against race, religion, gender, nationality, physical or mental disability, age, or sexual orientation.

We revised part of our employment regulations in April 2020, stipulating strict disciplinary action in harassment cases in greater detail. The Standards also state that we must comply not only with the laws and regulations of countries and regions in which we operate, but also with international principles on human rights, and demand that our suppliers take actions against basic human rights violations.

► Education and Enlightenment on Respect for Human Rights

With the aim of establishing a discrimination-free organization that provides job satisfaction, we encourage our employees to foster awareness of human rights. We provide human rights education in the training programs for new employees and appointed managers.

TOPICS

Aiming to create a workplace with excitement and satisfaction where everyone thinks and acts taking ownership

The message delivered during fiscal 2021 Human Rights Week communicated the importance of thinking and acting by taking ownership on an individual basis while taking care of the human rights of others, and called for the promotion of diversity and inclusion. Diversity and inclusion generate new value and ideas by accepting and respecting each other’s differences, and lead to sound and sustainable growth of the company, organizations, and each employee with diverse backgrounds by allowing them to enjoy active roles with a sense of job satisfaction. We aim to create a workplace environment with “excitement” and a sense of job satisfaction, where all employees feel respected as a human being, acknowledged, and welcomed. To this end, we will work to raise awareness toward the prohibition and elimination of discrimination against LGBTQ people to foster a workplace environment and a culture without discrimination against sexual minorities, as well as toward childcare leave for male employees to accelerate work-life balance for them, their families, and the entire workplace.



Human Resource Development

We have fair personnel systems in place to help diverse employees play active roles by fully demonstrating their abilities, as well as make efforts to develop and deploy human resources.

▶ Human Resource Utilization and Development

We define “respecting the individuality of each employee, striving to promote each one’s abilities, and implementing a fair and appropriate system of evaluation and rewards” as part of our corporate philosophy, and aim to continue systematically securing and developing competent and competitive human resources to form a strong professional team that will continue to tirelessly seek new challenges for the growth and development of Toshiba Tec.

■ Training program/education system

We provide training programs to establish a shared base for our employees and systems that can respond to individual needs and career characteristics.

TOPICS

Global HR development and training

Under the current business environment, the need for human resources who can play active roles in the international arena is increasing. With a focus on the development of global human resources who have a deep cross-cultural understanding and the ability to carry out their tasks through dialogue with people around the world, we provide a global human resource development program for young to mid-career employees. The program systematically covers not only languages but the raising of personnel equipped with operational knowledge, culture and good sense that can be deployed around the world.

	Training program by position	Training program by professional capacity	Executive development program	Others
	This is a mandatory program that is carried out at each milestone to move up the career ladder, such as at the time of joining a company or being newly appointed as a leader. It is intended to enable employees to acquire the minimum knowledge and skills required in each position so that they can fulfill the role required by that position.	This program is intended to enable employees to acquire the occupational knowledge and skills required for their respective careers.	This is a selective program to develop executive candidates, future leadership candidates and global human resources.	There are programs to provide compliance training, so that our employees develop a shared awareness of compliance, and to support personal capacity development and skill improvement.
Managers	<ul style="list-style-type: none"> Career program for employees aged 30 One-on-one program Follow-up program for managers Program for newly appointed executives Program for newly appointed managers 	<ul style="list-style-type: none"> Sales and marketing program by position Technology/ human resource development program Production IE program Staff training program 	<ul style="list-style-type: none"> Selective executive development program Selective global human resource development program External transfer system 	<ul style="list-style-type: none"> Innovation program Language program (e.g. school-type English training/on-line English training) Compliance program (e.g. export control/intellectual property/information security) Personal development support program
Specialists	<ul style="list-style-type: none"> S1 program (for employees promoted to specialists) 			<ul style="list-style-type: none"> Mentor/elder program
Non-managerial employees	<ul style="list-style-type: none"> S2 program (for employees in the fifth year) Program for employees in the third year Toshiba Tec Group program for new employees 			

■ Career development support program

As part of our Human Resource Utilization and Development system, we have adopted the Career Design Program (CDP) since 2011 to create an individual 3-year development plan based on the CDP, and annually conduct interviews and reviews in order to ensure that employees continue to grow as professionals.

With the aims of ensuring that employees and supervisors understand and communicate with each other, as well as sharing their long-term career plans and express life-style wishes that include the employee perspective on life, without being bound by the CDP-based 3-year plan, we implement the Career & Life: Mutual Understanding Program along with interviews for CDP, helping a variety of employees work with enthusiasm, pride and will to challenge themselves.

We provide an opportunity for employees to develop their own careers. For example, our Internal Job Posting System helps each employee apply for personnel transfer in order to fill a vacant post announced by a division. We also introduced a one-on-one interview system in fiscal 2021, where employees and their supervisors regularly meet one on one to foster mutual understanding, and thereby build a relationship of trust. The

system is designed to help employees develop their career together with supervisors by making it easy for employees to share their own desired career from time to time.

■ External transfer (rental transfer)

We launched an external transfer system from the second half of fiscal 2019 as a human resource development program for creating new businesses with a view to nurturing human resources and next-generation leaders capable of triggering innovation and organizational change.

Under the system, employees are given the opportunity to work on-site at startup companies for half a year, thereby experiencing the speed in startup businesses and acquiring the perspective of looking at the whole organization from a bird’s-eye view. By having first-hand experience in creating new value, they are expected to obtain a new set of eyes to acknowledge their own capability apart from Toshiba Tec as well as the company Toshiba Tec itself. During the transfer, employees receive monthly support from external mentors who have experienced new businesses, as opportunities for dialogue to deepen what they learn and notice. Six employees were transferred under the system in fiscal 2021.

Promotion of Diversity Management

We believe that the utilization of diverse human resources, regardless of gender, age and nationality, leads to increased innovation and vitality, which allows us to more readily adapt to unexpected issues or changes in the market, thereby increasing our global competitiveness. Based on commitments made by our executives, we aim to achieve our Human Resources Strategic Vision by considering diversity management as an essential part of our management strategy. The Strategic Vision states that human resources and organizational strength contributing to the creation of customer value are to be enhanced and every one of us is to create a strong and trusting relationship between all business areas. Accordingly, we are committed to increasing productivity through work-style reform, helping create diverse human resources who can play an active role in responding to changes, and improving our culture to become more accepting of diversity.



► Initiatives for Women's Participation and Advancement

With an eye toward increasing the number of female employees who can achieve their desired career goals and work with enthusiasm, we are promoting initiatives to achieve the goals that have been set out in the action plan based on the Act on Promotion of Women's Participation and Advancement in the Workplace, by fiscal 2025.

Ratios of female employees and female managers (Toshiba Tec) (%)

	FY2019	FY2020	FY2021
Ratio of female employees	13.3	13.9	14.3
Ratio of female managers	2.7	2.3	2.8

*Data as of March 31

Progress in action plan based on Act on the Promotion of Women's Participation & Advancement in the Workplace (%)

	New graduates in FY2020	New graduates in FY2021	New graduates in FY2022	(Target) New graduates in FY2025
Ratio of new female graduates employed	20.0	17.9	25.0	30.0

■ Recruitment activities to hire female employees

Since fiscal 2017, we have been holding a company briefing session for female students and an exchange with female employees with the aim of helping new female graduates develop a clear image of working at Toshiba Tec and increasing the ratio of new female graduates employed. The company briefing session features a variety of initiatives to promote women, systems to support work and life balance, and showcases the successful examples of female employees. In the exchange with female employees, we introduce their career paths. We post group interviews of female employees who have built their careers by taking advantage of various programs and the exchange of female employees and prospective female employees on the recruitment website. We will continue these wide-ranging activities.

► Promoting Recruitment, Participation and Advancement of Non-Japanese Employees

Toshiba Tec Group actively recruits non-Japanese employees. In addition to the recruitment of foreign nationals who have studied in Japan, we have been carrying out the Global Recruitment Program in

an effort to directly recruit students graduating from universities overseas since fiscal 2010. After joining Toshiba Tec Group, they play active roles in various fields such as sales, development and design. We provide a wide range of assistance and support, including the first four-month Japanese-language training program for employees who joined through the Global Recruitment Program to facilitate their adaptation to life and work in Japan.

Number of non-Japanese employees

(Persons)

	April 2020	April 2021	April 2022
Toshiba Tec	27	20	21
Domestic group companies	5	6	6
Total of Toshiba Tec Group in Japan	32	26	27

► Promoting the Employment of People with Disabilities

We are actively hiring people with disabilities and improving workplace environments to bring their capabilities into full play.

Employment ratio of people with disabilities

(%)

	April 2020	April 2021	April 2022
Toshiba Tec	2.22	2.38	2.37
Domestic group companies	2.76	2.79	2.89
Total of Toshiba Tec Group in Japan	2.47	2.57	2.61

* Toshiba Tec is eligible for the special exception for a business group for calculating employment rate of persons with disabilities.

► Work Style Innovation (WSI)

We are working on activities to accelerate work-life balance under the unique name of Work Style Innovation (WSI). WSI refers to a campaign aimed at creating a virtuous cycle, where employees work in an efficient and lively manner as well as making the most of their private lives to rejuvenate and improve themselves so that they can add higher value to their work.

■ Streamlining and arranging considerate working hours

We are working on correcting long working hours, in order to allow the participation and advancement of diverse human resources, and to promote WSI. Each employee promotes activities to increase productivity by changing their working styles and methods.

Key systems and measures concerning working hours

System/measure	Overview
Flexible work system	Flex work
Long leave system	Employees can take a maximum of 20 days off as accumulated leave for clear and meaningful objectives, such as self-development, social contribution activities, treatment of non-occupational injuries/diseases (including infertility), childrearing, nursing care, etc.
Family Week initiatives and no overtime day	In order to accelerate WSI and create time for employees to spend with their families, employees are encouraged to leave work at a specific time on at least two days during Japan's Family Week in November. In principle, no work is allowed on holidays. For employees posted away from their families, the Company supports travel expenses and recommends taking annual paid holidays for visits home.
System for monitoring working conditions	<ul style="list-style-type: none"> ● A system is in place to help employees monitor working conditions on their own and managers monitor their subordinates' working conditions to prevent work hours from exceeding the standard upper limit set by the Company. ● Use of a system that shuts down the personal computer at a specified time (PC shutdown system) fosters awareness to carry out tasks within a limited amount of time.
Improving the work environment	Work from home formally introduced (April 2020) * Does not limit the scope of eligible employees, allowing adoption depending on line of duty.
Bonus system	This system was introduced to reward time-conscious employees who produce remarkable results by carrying out tasks efficiently.

■ Supporting employees in balancing work with childcare/nursing care

We are improving and expanding a variety of support systems and enhancing their flexibility in order to help all employees work with enthusiasm and fulfillment to carry out their responsibilities at work while living healthy and prosperous lives that enable them to have time for childrearing, nursing care and other personal matters.

■ Creating an environment in which employees can continue to work with peace of mind

Since July 2015, we have implemented the Mutual Understanding Program for Childbirth and Child Care to help employees prepare for life events such as childbirth and child rearing at ease and continue to work for a long time after these events. This program is intended to develop an easy-to-work environment where supervisors and employees have periodic interviews to deepen mutual understanding during the period before and after maternity/child care leave.

Fifteen employees enrolled in this program in fiscal 2021. After the launch of the program, we had the first male employee take childcare leave in 2015. Since then, more and more male employees have applied for this program, with 13 male employees taking childcare leave in fiscal 2021.

■ Employee awareness survey

We conduct an employee awareness survey (the TEAM Survey) to solicit the opinions of employees. With the purpose of improving employee engagement, we understand their awareness and measure the performance of the organization to identify problems

and the gap in recognition, to bring improvements in management style and corporate culture. Based on the survey results, we hold dialogue with employees where the company president and other top management members convey the management vision and goals to employees, and conduct visits to business centers and other workplaces.

■ Fostering a corporate culture that provides job satisfaction

In order to instill a culture throughout the company where diverse individuals can think outside the box and take on challenges together to pursue an ideal vision, we are implementing measures to foster a corporate culture that provides job satisfaction. We consider it important that every employee thinks independently and proactively, engages in honest discussions instead of keeping a polite face, and takes action, thereby expanding companywide team activities across the hierarchy to address business challenges through vertical and horizontal collaboration.

Executives and each business group held a number of meetings to engage in serious talks for team building in a relaxed atmosphere. We aim for a corporate culture that allows the management team and employees to have frank



A meeting scene

discussions on substantive matters, develop understanding together, and take action to achieve their visions.

In fiscal 2020, we also introduced a program called "Self-Biz" as one of the systems to enhance independence of employees and another called "T-POT (Peer Bonus)," in which employees express gratitude to each other.

In fiscal 2021, the company-wide one-on-one interview system was introduced as a communication tool to support growth of employees and maximize performance of the organization.

Our attempts also included a "10-percent Thinking Time" as a scheme to allow employees to spend 10% of their working hours on what they want to work on, apart from their regular duties, with the aim of promoting independent initiatives of employees.

▶ Promoting Active Participation of Senior Employees

With the aim of developing a system to help senior employees work with enthusiasm regardless of their age, in fiscal 2017, we have introduced a Senior Expert System that clarifies the expertise and roles expected of them for commensurate pay, as well as a new training program (Career 30 Program) that helps raise their awareness. We will encourage senior employees to participate more actively in the workplace by improving the system and program and by merging their own awareness with that of their workplace colleagues, thus deepening mutual understanding.

Labor Relations

We have many opportunities to encourage labor-management dialogue for smooth labor relations and corporate business activities. Labor and management have agreed that business plans and performance, and major organizational reforms must be periodically explained to the labor union, and that changes in labor conditions must be discussed between labor and management in advance.



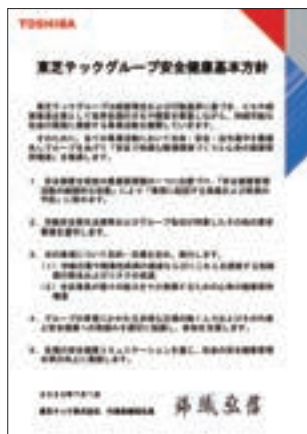
Labor-management business briefing

Health and Safety

By placing safety control and healthcare as a top priority issue for management, we are striving to create a safe and comfortable work environment with a focus on the safety and health of employees.

▶ Basic Policy on Health and Safety

The Toshiba Tec Group formulated the “Toshiba Tec Group Basic Policy on Health and Safety” in 2004, with the intention that the top management declares their commitment to health and safety and all employees share the same commitment.



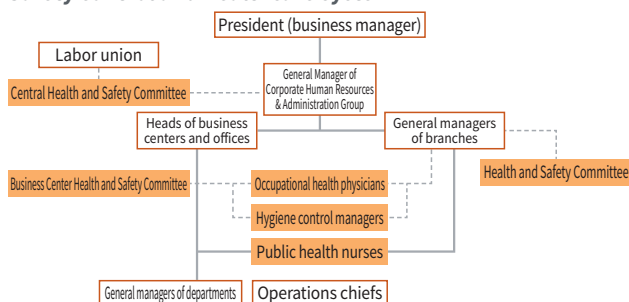
▶ Safety Control and Healthcare System

The safety control and healthcare system and the health and productivity management system of Toshiba Tec are set out as described in the chart below.

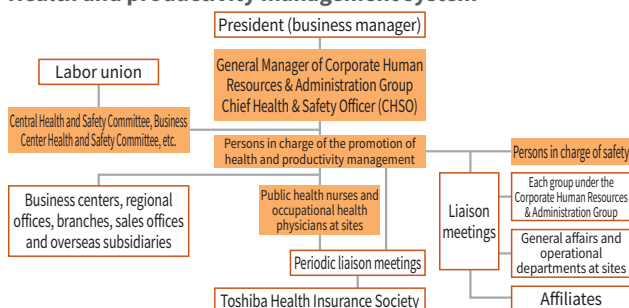
Each business center or office has not only fulfilled the statutory requirements such as appointment of dedicated staff members and holding of meetings of its Health and Safety Committee, but also set up health-and-safety liaison meetings between the head office and regional offices and branches (Operational Department Managers Liaison Meetings and the Head Office Health and Safety Committee), to proactively strengthen the collaboration within the company-wide safety control and healthcare system.

In addition, Central Health and Safety Committee meetings are held twice a year (in July and March) to discuss and exchange opinions with the labor union, aimed at raising the level of safety control and healthcare from employees’ perspective.

Safety control and healthcare system



Health and productivity management system



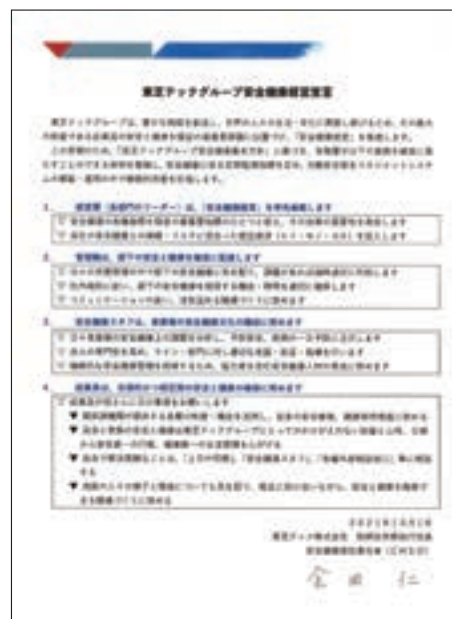
▶ Health and Safety Management Declaration

In order for the Toshiba Tec Group to resolve social issues and contribute to the further development of society, we must push ahead with work-style reform, enhancing our working environment and streamlining operations, among others, for better satisfaction of employees and improved productivity.

To accomplish work-style reform, individual employees need to be able to demonstrate their full capabilities, more than anything. To do so, they also need to be able to work in a safe and healthy manner and live a satisfied life. For this reason, we must have a health and safety activity that helps energize employees.

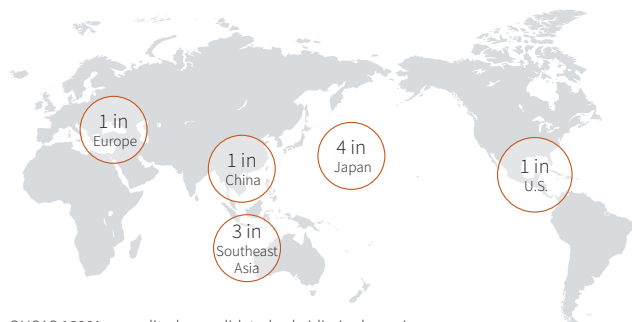


In order to improve existing safety control and healthcare activities and clearly state that the Group will promote the management that places top priority on the safety control and healthcare of employees, the Toshiba Tec Group appointed an officer in charge of the Corporate Human Resources & Administration Group as Chief Health & Safety Officer (CHSO) in October 2021, formulated the Health and Safety Management Declaration, which has clarified roles to be played in health and safety management by the management team, managers, persons in charge of health and safety, and employees, and published it under the name of CHSO.



▶ Promoting Occupational Health & Safety Management System

Toshiba Tec's Shizuoka Business Center has obtained ISO 45001 certification, and six of our overseas manufacturing group companies have obtained OHSAS 18001 certification, both of which are international occupational safety and health management systems. These management systems are operated to improve health and safety issues related to each workplace and operation, create safe and comfortable workplace environments, and maintain and promote the health of employees.

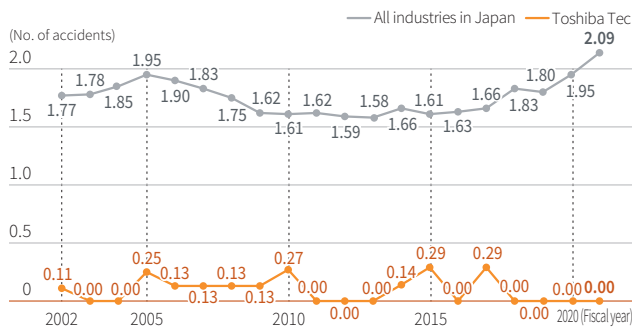


OHSAS 18001-accredited consolidated subsidiaries by region as of April 1, 2022

▶ Preventing Industrial Accidents

Toshiba Tec has a lower lost workday incidence rate than the average of all industries in Japan. We strive to prevent industrial accidents by systematically mitigating risks through risk assessment to identify risks that may cause accidents, reviewing operation processes, renovating equipment, and providing training to employees, among other initiatives.

Lost workday incidence rate (per million work-hours)



▶ Developing Awareness of Health and Safety

As a measure to raise safety awareness of employees, Chief Health & Safety Officer (CHSO) delivers messages by taking the opportunity of Nationwide Safety Week (July 1 to 7), Occupational Health Week (October 1 to 7) and Year-End/New-Year Zero Accident Campaign (December 15 to January 15), every year.

▶ Ensuring Health Management

We implement various approaches to help all employees raise awareness of health and maintain physical and mental wellbeing. We have introduced a system which unifies information on the results of medical checkups and post-checkup care as the basis for healthcare of employees, and utilize them for various purposes, including health guidance and education.

To prevent disorders due to labor overload stemming from working extremely long hours, we require all employees who worked over a certain number of hours per month to have interviews with a physician for guidance, thus maintaining and promoting their health.

We attach particular importance to the following six topics.

- (1) Promotion of health practices (improvement of health literacy)
- (2) Invigoration of individuals and workplace (mental health measures)
- (3) Prevention of disorders due to smoking
- (4) Prevention of infectious diseases
- (5) Enhancement of measures to prevent lifestyle-related diseases (brain and heart disease)
- (6) Enhancement of safety control and healthcare

▶ Selected under the 2022 Certified Health & Productivity Management Outstanding Organizations Recognition Program (Large Enterprise Category)

Toshiba Tec Corporation was selected by the Nippon Kenko Kaigi as one of the organizations certified under the “2022 Certified Health & Productivity Management Outstanding Organizations Recognition Program” due to its initiatives for healthcare.



* Nippon Kenko Kaigi: A meeting body organized by economic associations and other private-sector organizations with the support of the Ministry of Economy, Trade and Industry

TOPICS

Training program by age

We have provided a training program by age since fiscal 2015 to encourage each and every employee to acknowledge changes in their physical condition according to age and learn how to cope with them. This program aims to prevent poor health condition by helping them promote physical and mental health practices autonomously. In fiscal 2021, we provided this training online to all eligible employees at the head office, Shizuoka Business Center, and regional offices/branches/sales offices.

<Details>

- Scope: Regular employees
- Method: Provided by age groups of 30, 40 and 50-years-old
- Time: 60-minute online lecture

Mental health education program

With a focus on disease prevention and health promotion, we provide a mental health program annually for all employees of Toshiba Tec and its domestic group companies. It is intended to encourage each and every employee to acquire the correct knowledge of mental health issues and how to cope with mental and physical disorders, as well as to put these mechanisms into practice.

Prevention of lifestyle-related diseases (brain and heart disease)

We implemented training and support measures to improve health promotion and healthcare for employees posted away from home. This program aims to prevent them from developing brain or heart disease which may lead to extended leave or sudden death, because they tend to receive less support from their families, and therefore are more susceptible to such medical conditions which may cause major work loss.

(Implementation of Healthcare Education Program when Posted Away from Home, distribution of Healthcare Guidebook)

Promotion of CSR Procurement

We work on CSR through supply chains in order to continue to develop together with suppliers and build better partnerships, as well as to promote CSR including suppliers.

In terms of the composition ratio of Toshiba Tec Group's procurement by business sector, Retail Solutions Business (including Overseas Retail Solutions Business) accounts for 62%, Workplace Solutions Business for 29%, Original Design Manufacturing Business for 8%, and others (Inkjet Business, etc.) for 1%.

► Procurement Policy

As a member of Toshiba Group, we strive to build sound partnerships with suppliers through procurement activities based on the Toshiba Tec Group Procurement Policy.

We request suppliers to take into account human rights, labor, health and safety along with the environment. When selecting new suppliers, we promote transactions with suppliers that are committed to focusing on consideration for CSR.

The Toshiba Tec Group Procurement Policy was established in August 2007 for the purpose of helping suppliers, who play a key role in production and service provision for its group companies, understand the policy much better, and encouraging them to cooperate for CSR promotion. Since then, we have been requesting suppliers to put the policy in practice while amending it according to social situations. In October 2014, we expressly stated that suppliers shall conduct activities in accordance with the United Nations Global Compact (UNGC) and the Responsible Business Alliance (RBA)* Codes of Conduct, both of which Toshiba has pledged to follow, and thoroughly informed our domestic and overseas suppliers of the activities.

*The name changed from EICC to RBA in 2017.

Material procurement compliance management system




► Compliance in Procurement

We have established a system to ensure compliance concerning procurement, which is connected with the procurement department under the system of Toshiba, and enhance procurement compliance. Information related to compliance concerning procurement is thoroughly shared with Toshiba Tec and its group companies through this system. Moreover, measures are thoroughly explained by persons in charge of procurement planning at the Procurement Planning Office of the Corporate Strategic Production & Procurement Group, through group company procurement department managers. In addition, we conduct the monitoring of subcontracted transactions of all procurement departments including those of group companies on a monthly basis to ensure compliance with the Subcontract Act. Since fiscal 2007, we have been annually providing e-learning on the Subcontract Act for employees (including company presidents

and officers) of our domestic group companies. In fiscal 2021, a total of 6,851 employees, including six domestic group companies, participated in the e-learning program on the Subcontract Act. We actively participate in training sessions (web-based seminars) on the Subcontract Act organized by supervisory or other authorities.

► Participation in Business Partnership Commitment Portal

We completed the registration in the portal “Business Partnership Commitment,” sponsored by the Cabinet Office and the Small and Medium Enterprise Agency, in December 2021. The Business Partnership Commitment was founded through discussion and designed by the “Conference for Promotion of Partnerships to Open up Future,” whose members included the chairperson of the Japan Business Federation (Keidanren), chairperson of the Japan Chamber of Commerce and Industry, chairperson of the Japanese Trade Union Confederation and ministers of related ministries (Cabinet Office, Ministry of Economy, Trade and Industry, Ministry of Health, Labour and Welfare, Ministry of Agriculture, Forestry and Fisheries, and Ministry of Land, Infrastructure, Transport and Tourism), and its portal is now sponsored by the Cabinet Office and the Small and Medium Enterprise Agency. The Business Partnership Commitment is intended for a representative of a company to declare the creation of a new partnership by promoting collaboration and harmonious relationship with business partners in its supply chain and also with business operators who intend to create new value. Toshiba Tec has declared (1) building a harmonious relationship with the entire supply chain and engaging in a new type of collaboration beyond boundaries of corporate size, group, etc.; and (2) compliance with desirable trade practices between parent business operators and subcontractors, or the promotion standards in accordance with the Act on the Promotion of Subcontracting Small and Medium-sized Enterprises. With our declaration posted on the portal, we are committed to putting the declaration into practice, aiming to further enhance our corporate value.

 Business Partnership Commitment portal
<https://www.biz-partnership.jp/index.html>

► Addressing Conflict Minerals Issue


Section 1502 on conflict minerals of the U.S. Dodd-Frank Wall Street Reform and Consumer Protection Act (the “Dodd-Frank Act”) was enacted in January 2013. Companies listed on U.S. stock exchanges are required to report on the use of conflict minerals mined in the Democratic Republic of the Congo and its adjoining countries. Toshiba Group is not a listed company. However, as part of the supply chains of listed companies, it is investigating and reporting to its customers.

Prior to the enactment of the Act, Toshiba Group organized an internal system to address the conflict minerals issue, and established the Toshiba Group's Conflict Mineral Policy, uploading it on its website in October 2011. In response to the expanding risks associated with minerals sourcing in recent years, which involve not only the DRC and surrounding countries but also other conflict areas and high-risk areas, human rights violation in general including child labor, and corruption, we reviewed the Toshiba Group's Conflict Mineral Policy in September 2020 and commenced activities in conformance to the Responsible Minerals Sourcing Policy.

In June 2013, we started a survey of overseas manufacturing subsidiaries and suppliers to the Shizuoka Business Center, which may be using 3TG*, regarding the use of conflict minerals and smeltery information using the Conflict Minerals Reporting Template (CMRT). We conducted the survey in fiscal 2021 as well, and identified 339 vendors who are part of the smelters recognized by the Responsible Minerals Initiative (RMI).

We confirmed that 190 of them are Responsible Minerals Assurance Process (RMAP)-conformant smelters.

*3TG stands for the initial letters of four conflict minerals: tin, tantalum, tungsten and gold.

 **Toshiba Group Responsible Minerals Sourcing Policy**
https://www.toshiba.co.jp/csr/jp/performance/social/procure.htm#conflict_minerals_1

Enhancement of Customer Satisfaction

We perform our business activities while giving top priority to providing products and services that please customers with safe and reliable quality. To achieve this, each and every employee always thinks and behaves from a customer point of view.

► Voice of the Customer

Toshiba Tec's action guidelines are to find the nature of problems that customers really want to solve by taking the voice of the customer (VoC) seriously, and to provide in a timely manner high quality, performance products and services which are definitely convenient, by developing ideas through value creation with our customers in mind and using our own proprietary technology in cooperation with the world's leading partners. Based on these guidelines, we work on activities to satisfy customers, in other words, to improve the quality of our products and services. In addition, as a leading retail manufacturer that offers consistent services from product planning to development, manufacturing, distribution and maintenance, we aim to be a company that is always there for our customers. We give feedback on VoC that we receive via communication with our staff in charge of sales and maintenance to the ones in charge of product planning and development to provide quality products with high functionality. Moreover, we create new services and products through demonstration experiments in cooperation with customers.

TOPICS

Maintenance service

Maintenance services are considered to be a bridge to help customers feel comfortable using Toshiba Tec products. Toshiba Tec Solution Services Corporation, which is in charge of maintenance services in Japan, has 120 local business sites in place nationwide to provide after-sales services such as failure recovery. With the aim of enhancing customer satisfaction, we monitor the networks and systems of our customers under contract 24 hours a day, 365 days a year, via six system support centers nationwide, back up our customers by providing operational support in a smooth and precise manner, and utilize customer opinions and requests to improve services and operations, in collaboration with local engineers.



Customer support (maintenance)



System support center

► Activities as a Global Company

We uphold a global quality assurance system. We also share and utilize information on market quality through a worldwide service network in cooperation with manufacturing sites and sales subsidiaries.

We develop products on a global scale by giving top priority to compliance with laws, regulations and standards in each country.

TOPICS

Activities to improve manufacturing quality

We regularly hold meetings with manufacturing subsidiaries in Japan, China, Singapore, Indonesia and Malaysia to develop mutual understanding of our manufacturing policy, share information, and carry out other activities to improve manufacturing quality.

Mishima EMC Center

The Mishima EMC Center (anechoic chamber) at the Shizuoka Business Center has received ISO 17025*, the International Standard for Laboratories. We comply with standards in each country and provide products in a timely manner based on reliable EMC measurements through the product life cycle.

* ISO 17025: International Standard for Laboratory Quality Management, Equipment and Technologies. Once a site has been certified, its high measurement reliability is confirmed and measurement data is available as official data worldwide.



Appearance



10-meter anechoic chamber

► Commitment to Safety and Security

We train specialists in product safety, reliability and risk assessment, and work on technical research to ensure quality that customers feel comfortable with, based on the Basic Policy on Product Safety. In order to ensure that our customers feel comfortable using our products and services, we implement risk assessments to prevent potential risks of failures and accidents, the possibility of which we have predicted, and then provide products and services that have passed through evaluation and verification processes. According to customer information provided by the maintenance service division, we also endeavor to ensure a higher operational level of safety by understanding customers' operating environments and conditions.



Safety review

 **Basic Policy on Product Safety**
<https://www.toshibatec.co.jp/company/csr/customer/safetypolicy.html>

Social Contribution Activities

Toshiba Tec Group stipulates “community relations” in its Standards of Conduct. We conduct a variety of community-rooted activities, pivoting on “next generation development,” “social welfare,” and “environmental protection” with the aim of creating a better society based on a profound understanding of the history, culture and customs of each country or region in which we operate as a member of the global community.

► Standards of Conduct

■ 19. Community Relations

1. Toshiba Tec Group Corporate Policy

Toshiba Tec Group Companies shall:

- (1) contribute to and cooperate with all local communities in which Toshiba Tec Group operates in order to perform their duties as a member of these communities and engage and collaborate with a wide range of stakeholders such as NPOs/NGOs, administrative organizations, and international bodies;
- (2) support directors and employees in undertaking voluntary activities and give full consideration to each individual’s desire to exercise his or her civil rights;
- (3) make appropriate donations in each country and region where Toshiba Tec Group operates, after considering the contribution to each community, and reasons for and public nature of making donations; and
- (4) try to improve the brand image in all aspects of their relationships with communities.

► Toshiba Tec Philanthropy Fund

In 1992, with the aim of contributing to society as a good corporate citizen, we established the Toshiba Tec Philanthropy Fund, which is made up of contributions from employee salaries and bonuses. We annually use this fund to promote local welfare activities, support children who will lead the next generation, and promote environmental conservation. In the event of a large-scale disaster, we make donations for recovery efforts.

In fiscal 2021, as part of our support for efforts against wide-area disasters, local contributions, and next-generation development, we donated through corporate matching to (1) the Japanese Red Cross Society’s fundraising, and donated (2) picture books and educational toys, etc. to junior high schools, elementary schools, nursery schools, and other facilities in the areas where our head office, Shizuoka Business Center, and Kansai and Chu-shikoku branches are located. We also donated to (3) NPOs.



Donations to the Tokyo ward of Shinagawa-ku



Donations to the Tokyo ward of Shinagawa-ku



Donations to Mishima City, Shizuoka Prefecture



Donations to Izunokuni City, Shizuoka Prefecture



Donations to the Yodogawa ward, Osaka City, Osaka Prefecture



Donations to Hiroshima City, Hiroshima Prefecture

► Toshiba Group’s Volunteer Days

Building on the aims of the International Volunteer Day set by the United Nations on December 5, Toshiba Group has designated December as its annual Sustainability Month. From fiscal 2014, we annually carry out Toshiba Group’s Volunteer Days activities as well as social contribution activities, including clean-up, collection, donation, fundraising, welfare activities, and disaster relief at each business site.

▶ Next-Generation Development

■ Workplace experience learning & children's tours

We provide workplace experience opportunities to help children learn about product mechanisms and manufacturing. We hope to help children in developing their thinking and understanding of work through showroom tours, product operation and interaction with our employees, thus contributing to their future learning.



A scene of children's observation tour

■ On-site lessons

We provide experience-based on-site lessons to elementary and special-needs schools by capitalizing on our employees' expert knowledge and business activities. These lessons allow students to experience work involving the operation of checkout systems and scanners, as well as offering the excitement and convenience of shopping.

These events allow us all to learn about science closely related to our daily lives, such as checkout operation and fun facts about barcodes, together with children.



An on-site lesson scene

■ Voluntary read-to-children activities

At Shizuoka Business Center, we started donating picture books using the Toshiba Tec Philanthropy Fund in fiscal 2010. Donations have continued since to coincide with the Company's founding anniversary day every year in partnership with Mishima City and Izunokuni City, presenting kindergartens and nursery schools in the two cities with picture books. In fiscal 2021, we donated picture books to about 60 facilities in both cities, including kindergartens/nursery schools and after-school childcare clubs, bringing the number of such books donated so far to about 5,000. In fiscal 2011, we also began voluntary read-to-children activities after looking for something we can do for local communities and seeking to have children enjoy something with a smile. We are now doing readings remotely to children at kindergartens/nursery schools in Izunokuni City due to the COVID-19 pandemic.



A remote read-to-children scene

▶ Environmental Protection

We actively work on activities for environmental protection, such as biodiversity conservation, local clean-up and tree planting, in collaboration with local residents.

Participation in a tree planting activity
(Toshiba Tec Singapore Pte Ltd)



Clean-up & beautification activity



Protection of green turtles
(Toshiba Tec Malaysia Manufacturing Sdn. Bhd.)

▶ Welfare

■ Food Drive

We organize a Food Drive, a program for donating redundant food brought from home, at the head office, Shizuoka Business Center and each business site, donating collected food to neighboring food banks.



Food Drive

■ Pull-tab donation

We have been collecting pull-tabs from beverage cans since 2002 at Shizuoka Business Center with a view to raising environmental awareness and contributing to local communities. We donate them twice a year to local welfare institutions to help their activities.

■ Donations to welfare institutions and charity organizations

We collect clothing, stationery, old stamps, etc. from employees, actively donating them to NPOs, welfare institutions and charity organizations.

In fiscal 2021, we also donated equipment such as sets of (secondhand) equipment to support visually-impaired people to the Japan Braille Library and other organizations.



Secondhand clothing donation to NPOs



Donation to the Japan Braille Library



Book donation to South African children

■ Regional volunteer activities

We also participate proactively in regional volunteer activities. The activities we have participated include snow-removing work for elderly households and assistance in guiding participants in a peace memorial ceremony in Hiroshima, both activities closely linked to regional characteristics.



Volunteers removing snow

■ Blood donation activities

We engage in blood donation activities every year at the head office, regional offices/branches/sales offices, business centers, and overseas subsidiaries, helping those requiring blood transfusion through blood centers in the countries concerned.

▶ Disaster Recovery Support

To support recovery in areas severely affected by earthquakes, we organize a fair of local products from Hokkaido, Tohoku, Hiroshima, and Kyushu.

Governance

Governance

We will thoroughly ensure internal control while improving the efficiency and transparency of management, and give top priority to human life, safety and compliance in practicing CSR management.



Corporate Governance

We recognize corporate governance as an essential management policy that enables us to meet the expectations of stakeholders and continuously improve corporate value. We are committed to taking measures to improve the efficiency and transparency of management, as well as to reinforce the functions of the Board of Directors and the Audit & Supervisory Board and its members.

► Corporate Governance System

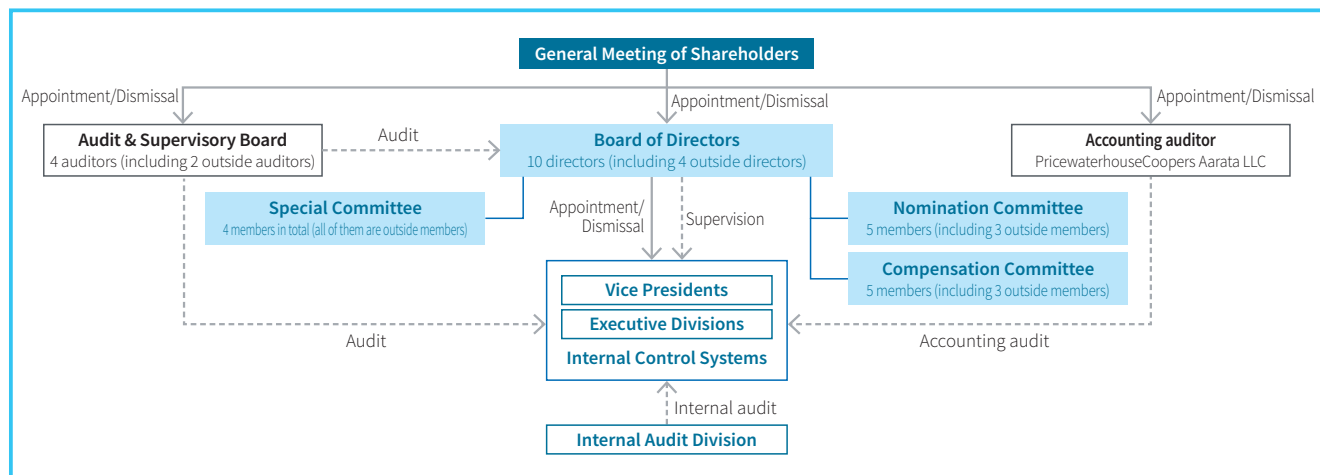
In terms of the corporate body, we have introduced the executive officer system (embodied by vice presidents) as a company with Audit & Supervisory Board Members to separate “functions related to supervision and decision-making” from “functions related to task enforcement.” We are also making efforts to improve the promptness and mobility of decision-making by optimizing the number of directors. In addition, we have assigned four independent outside directors and two independent outside auditors to ensure the transparency of management, as well as set the term of the directors to one year so as to clarify the management responsibility and promptly respond to changes in the management environment. Moreover, the Board of Directors of the Company has established the Special Committee consisting of four outside directors as its advisory body to deliberate and discuss important transactions and acts in which interests of controlling shareholders and minority shareholders are in conflict. The Board

has also established the Nomination Committee and the Compensation Committee consisting of five directors (of which, three are outside directors) and chaired by an outside director, as advisory bodies to strengthen the independence and objectivity of functions of the Board of Directors and the accountability thereof in relation to the nomination of candidates for director and auditor, appointment and dismissal of representative directors, etc., and compensation for directors and vice presidents.

With regard to management supervision, directors supervise business execution, auditors conduct audits, the accounting auditor conducts accounting audits, and the Internal Audit Group conducts internal audits.

We also strive to enhance the internal control systems in terms of the effectiveness and efficiency of business operation, reliability of financial reporting, compliance with the laws and regulations of contracting business activities, and safeguarding of assets.

■ Corporate governance system



Compliance

Toshiba Tec Group works on compliance activities while thoroughly observing laws and regulations, internal rules, and social customs on a global basis.

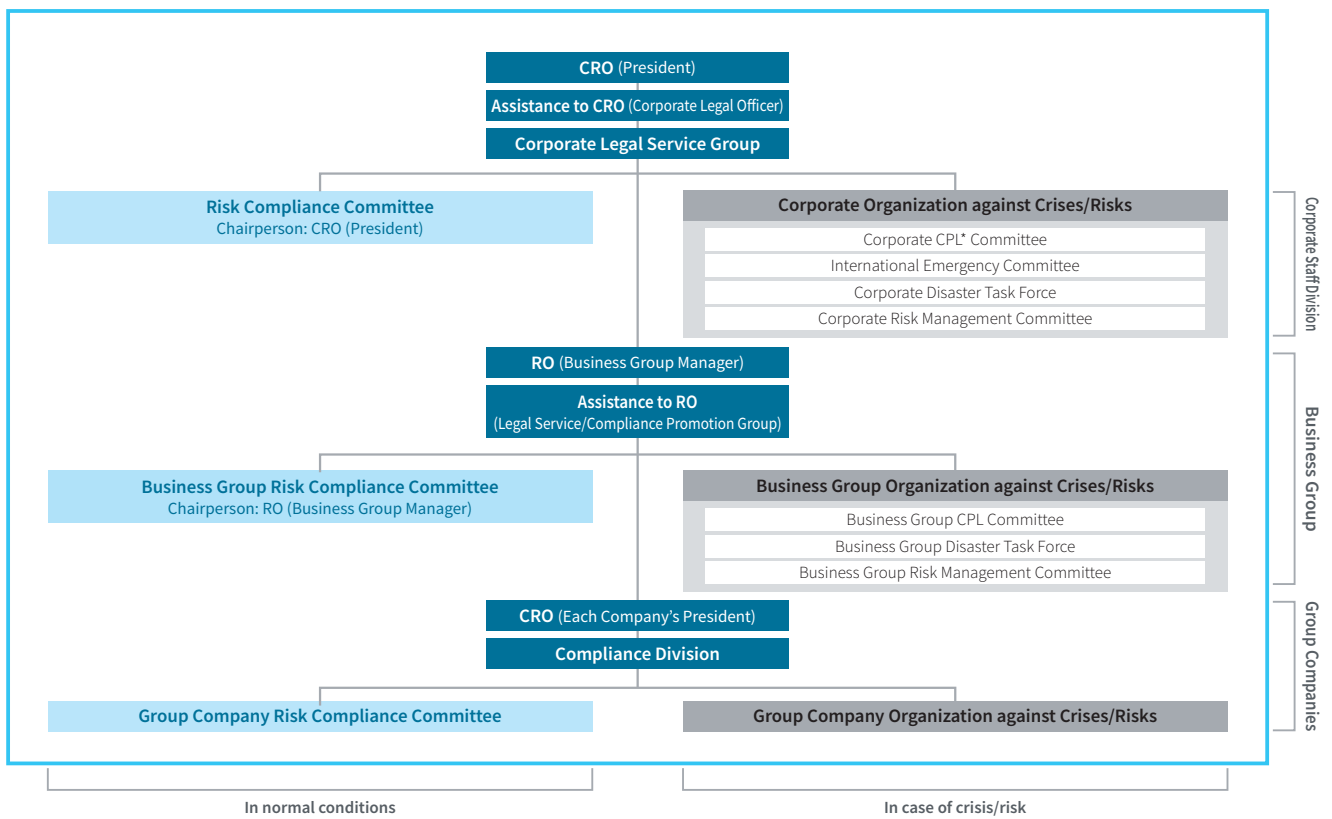
► Risk Compliance Promotion System

We appoint each company president and CEO as a CRO* in order to propagate and thoroughly implement the Toshiba Tec Group Standards of Conduct as well as advance the risk compliance measures. The top management leads the initiative to devise and promote various strategies in response to emergency situations.

We organize the Risk Compliance Committee under the leadership of the CRO to maintain the risk compliance system of the entire Toshiba Tec Group, and devise and promote the advancement of risk compliance.

* CRO: Chief Risk Compliance Management Officer

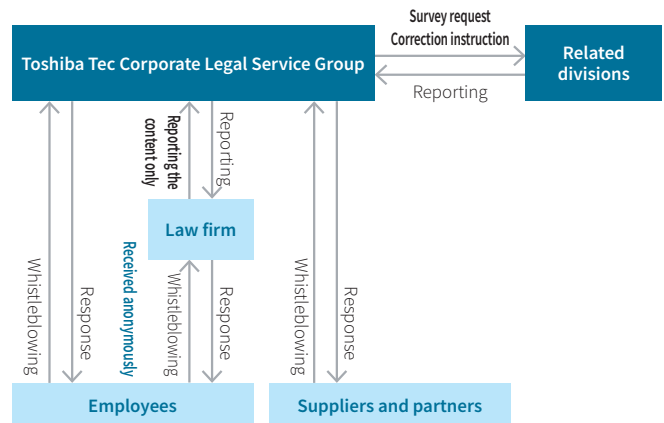
■ Risk compliance system




* CPL: A term made by combining Contractual Liability (CL) and Product Liability (PL)

■ Internal reporting system

We have established an internal reporting system as a way of consulting/reporting on illegal, dishonest and unethical behavior, as well as internal rules which enable executives and employees to provide information to the CRO or outside attorneys. We give maximum consideration to ensuring the anonymity of whistleblowers, thoroughly managing information and protecting them from suffering any detrimental consequences, such as dismissal, as a result of their whistleblowing. Any report received (at the Legal Service Group) will be immediately brought to the CRO, who will be kept updated and hear the result. In addition, the Toshiba Tec Partner Hotline has been introduced and operated so that business partners can provide information through the website.



 Toshiba Tec Partner Hotline
<https://www.toshibatec.co.jp/contacts/partnerline/>

▶ Fostering Compliance-conscious Culture

To foster high ethics and law-abiding awareness in each employee, we fully disseminate our Group Standards of Conduct and provide compliance education on a variety of themes and workplace meetings on CSR.

■ Dissemination of Toshiba Tec Group Standards of Conduct

We prepared Toshiba Tec Group Standards of Conduct in 13 languages and distributed brochures to every employee of Toshiba Tec and its domestic and overseas group companies. We also provide e-learning-based education to ensure thorough dissemination of information.

■ Compliance education

We provide every executive and employee with e-learning while also holding educational seminars intended for specific employees, such as legal education for business groups and education for employees to be stationed abroad.

TOPICS

e-learning programs for every executive and employee

- Standards of Conduct
- Subcontract Act
- Antitrust Law
- Anti-Bribery
- Timely Disclosure
- Accounting Compliance
- Harassment
- Mental Health
- Work-style Innovation (WSI)
- Customer Satisfaction
- Environment
- Information Security and Personal Data Protection
- Electrical Safety Law
- Export Control
- Engineering Ethics
- Product Security, etc.



■ Workplace meetings on CSR

To create a positive workplace atmosphere through discussions, we develop compliance awareness in each employee, establish this as the corporate culture, and hold CSR meetings in each workplace.

In these meetings, the managers and their subordinates discuss various issues which may occur in the workplace and share opinions. The goal of the meetings is to create a frank and open-minded work environment as well as to prevent compliance violations.

▶ Information Security

We recognize all information including sales and technical data handled while carrying out our tasks as important property, and have established a basic policy to prevent and protect against inappropriate disclosure, leakage or improper use of such information. We define this policy in the Information Security section of the Toshiba Tec Standards of Conduct so that all executives and employees are fully informed. We also established a system and rules for information security management, and revise them in response to the changes in the social environment. The Shizuoka Business Center (Mishima and Ohito), where the design, development, and quality assurance sections are located, obtained the ISO/IEC 27001:2005 certification in fiscal 2007 and 2012, and updated to the ISO/IEC 27001:2013 certification in fiscal 2014.

In terms of technical measures, we are strengthening measures to protect the public server, in order to prevent cyber-attacks and other forms of unauthorized access from the outside, which are becoming more and more sophisticated year by year, as well as to avoid information leakage. We are also enhancing the monitoring of internal systems to enable a quick response in the event of a computer virus infection. Each division continuously makes improvements by voluntarily auditing the status of compliance with the internal rules. We provide education to all employees, including executives, employees, and employees dispatched from affiliated companies, in order to prevent accidents in handling information and widely disseminate the information security measures.

▶ Security Export Control

Export control is aimed at preventing the proliferation of weapons of mass destruction and other sensitive items at countries and regions of security concern or terrorist organizations. Export transactions of goods and technology that have potential weapons of mass-destruction (WMD)/conventional weapons applications are restricted under laws and regulations. Our basic policies of export control are as follows: We shall comply with all applicable export control laws and regulations in each country and region of operation (the Foreign Exchange and Foreign Trade Control Law in Japan), and with those of the United States if we are engaged in transactions involving U.S. origin cargos and technologies.

We shall refrain from any transactions that may undermine the maintenance of global peace and security. Pursuant to these basic policies, we have established the Export Control Program and built an export control system. Accordingly, we make cargo/technology relevance judgments and strict transaction screenings for determining the need for export permission, conduct periodic export control audits, and provide education and support to our group companies.

▶ Intellectual Property

The Toshiba Tec Group Standards of Conduct specifies “Compliance with all applicable laws and regulations associated with intellectual property rights,” “Protection and extensive use of the results of intellectual activities under the intellectual property rights,” and “Respect for the legitimate intellectual property rights of third parties,” as the Toshiba Tec Group’s policy for intellectual property rights. We also work to develop and proactively use our intellectual properties to contribute to the further achievement of our retail and workplace solutions business groups. As part of our approach, we hold an event called Invention Challenge to collect ideas from every Toshiba Tec Group employee regardless of the organization and motivate greater invention and creation.

▶ Internal Control System

Toshiba Tec has set out an internal control policy that also covers group companies, and each subsidiary implements this policy according to its actual situation. We have been using the Toshiba Tec Self-Monitoring Program since fiscal 2018 to check how the subsidiaries are building and operating internal control systems and to ensure the fair and appropriate business operation. Our subsidiaries utilize this program to look at the state of their internal control and make necessary improvements. We provide guidance and support to our subsidiaries as needed based on the state of their internal control as perceived through the program, and work towards better governance of the Group as a whole.

Shareholder/Investor Relations


We will enhance the information disclosure system for proactive disclosure in order to contribute to the benefits of the shareholders and investors.

■ General Meeting of Shareholders

We consider the general meeting of shareholders as an important occasion to directly communicate with shareholders. In principle, we hold our general meetings of shareholders on days other than when many other companies hold their meetings. We send meeting notices to our shareholders at least three weeks prior to the meeting date and publish them by posting on the websites of Tokyo Stock Exchange (TSE) and the Company at least one day prior to the delivery date. Furthermore, we have introduced the Internet polling system and the TSE Electronic Voting Platform so that the shareholders can exercise their voting rights properly and smoothly. For foreign institutional investors, we post the English version of the simplified meeting notice (without attachments) on the TSE website and an Electronic Voting Platform for their proper and smooth voting.

■ Investor relations library website

We post information, such as financial settlement information, timely disclosure data, financial statements, quarterly reports, business reports and stock information, on the Investor Relations website. We provide our information to allow investors to exhaustively obtain the information in chronological order.

 **Investor Relations**
<https://www.toshibatec.co.jp/company/ir/>

■ Business report

We create business reports after announcing the second-quarter and annual financial statements, and deliver them to our shareholders. In the business reports, many diagrams and photos are provided along with text information including those on new products, services, and business forecasts, to help shareholders understand the latest updates on Toshiba Tec.



■ Investor relations for institutional investors

We hold second-quarter and annual financial results briefing sessions after announcing financial results. Our Chief Financial Officer (CFO) provides an overview of financial statements to institutional investors and analysts. In addition, the CEO, CFO, and officers in charge of business groups attend the sessions to hold briefing on management policies.

SENIOR MANAGEMENT (as of June 27, 2022)

Directors and Audit & Supervisory Board Members

President and Chief Executive Officer

Hironobu Nishikori Member, Nomination Committee
Member, Compensation Committee

Chief Risk Compliance Management Officer (CRO)

Executive Vice President and Director

Masami Uchiyama

Assistant to the President
In Charge of Corporate Strategic Planning
In Charge of Production & Procurement Strategy

Senior Vice President and Director

Yukio Inoue

Chief Finance Officer (CFO)
In Charge of Internal Control Promotion
General Manager of Corporate Finance & Accounting Group

Senior Vice President and Director

Hitoshi Kaneda Member, Nomination Committee
Member, Compensation Committee

In Charge of Legal Service
General Manager of Corporate Human Resources & Administration Group

Vice President and Director

Junichi Takei

In Charge of IT & Information Systems
General Manager of Corporate Strategic Digital Transformation Group
Corporate Marketing Officer

Director

Takamasa Mihara

Outside Director

Michio Kuwahara Chairperson, Special Committee
Chairperson, Nomination Committee

Outside Director

Shin Nagase Member, Special Committee
Member, Nomination Committee
Member, Compensation Committee

Outside Director

Hiroataka Morishita Chairperson, Compensation Committee
Member, Special Committee

Outside Director

Miho Aoki Member, Special Committee
Member, Nomination Committee
Member, Compensation Committee

Audit & Supervisory Board Member

Kouki Tomisawa

Audit & Supervisory Board Member

Naohiro Yamaguchi

Outside Audit & Supervisory Board Member

Yoshihiro Umeha

Outside Audit & Supervisory Board Member

Kanako Osawa

Executive Officers (not concurrently serving as Directors)

Senior Vice President

Takeshi Eguchi

Managing Director of Workplace Solutions Business Group

Senior Vice President

Masashi Yuzawa

Assistant to the President
Deputy Managing Director of Retail Solutions Business Group
President of Toshiba Global Commerce Solutions Holdings Corporation
Chairman of Toshiba Global Commerce Solutions, Inc.

Senior Vice President

Yasuki Ohnishi

Managing Director of Retail Solutions Business Group

Vice President

Hiroyuki Koyama

Chief Digital Officer
In Charge of Platform Development Center
General Manager of Corporate Office of the Chief Digital Officer
Technology Executive of Original Design Manufacturing Business Group

Vice President

Eiji Kawano

General Manager of Tokyo Main Branch, Retail Solutions Business Group

Vice President

Sachio Koyama

General Manager of Original Design Manufacturing Business Group
Chief Marketing Executive of Workplace Solutions Business Group
General Manager of Domestic Sales Division, Workplace Solutions Business Group

Vice President

Kohji Taira

General Manager of Corporate Strategic New Business Development Group

Vice President

Koki Tanaka

General Manager of Auto ID Solutions Division, Workplace Solutions Business Group
General Manager of Business Innovations Division, Workplace Solutions Business Group

Vice President

Tetsuya Nakamura

General Manager of Inkjet Business Group
Digital Officer of Workplace Solutions Business Group

Vice President

Yutaka Chiyo

General Manager of Solutions Planning, Development Division,
Retail Solutions Business Group
Digital Officer of Retail Solutions Business Group

Vice President

Kazuki Taira

General Manager of Corporate Strategic Technology Planning Group

FINANCIAL INFORMATION



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Financial Highlights Years ended March 31

Consolidated	2018	2019	2020	2021	2022
Operating Result (Millions of yen)					
Net sales	513,289	476,824	483,799	405,694	445,317
Ordinary profit	22,768	16,471	11,559	7,193	10,197
Profit attributable to owners of parent	17,512	11,211	3,730	7,126	5,381
Cash flows (Millions of yen)					
Cash flows from operating activities	29,092	18,400	20,751	9,240	10,037
Cash flows from investing activities	(11,487)	(12,779)	(13,844)	(9,573)	(14,184)
Cash flows from financing activities	(6,095)	(8,129)	(7,051)	(4,309)	(5,496)
Financial Position (Millions of yen)					
Total assets	282,630	275,055	288,473	289,313	310,256
Net assets	93,215	100,758	96,384	109,862	117,662
Cash and cash equivalents	57,355	55,498	53,302	51,753	46,709
Per share data (Yen)					
Basic earnings per share	318.73	204.00	67.84	129.55	97.68
Net assets per share	1,501.94	1,653.94	1,589.48	1,867.01	2,023.35
Financial data					
Capital adequacy ratio (%)	29.2	33.0	30.3	35.5	36.1
Return on equity (%)	23.7	12.9	4.2	7.5	5.0
Price earnings ratio (times)	9.9	15.1	50.1	31.3	50.3

Note: The Company carried out a share consolidation at a ratio of one for every five shares of common stock, effective on October 1, 2018.

Accordingly, the figures for basic earnings per share and net assets per share have been calculated assuming that the share consolidation was executed at the beginning of the fiscal year ended March 31, 2017.

FINANCIAL INFORMATION

Consolidated Balance Sheet as of March 31, 2022 and 2021

(Millions of yen)

	2021	2022
ASSETS		
Current assets		
Cash and deposits	42,179	38,645
Group deposits paid	10,064	8,073
Notes and accounts receivable - trade	63,928	—
Notes and accounts receivable - trade, and contract assets	—	70,846
Merchandise and finished goods	31,582	34,806
Work in process	4,376	5,635
Raw materials and supplies	6,944	14,047
Other	24,115	23,363
Allowance for doubtful accounts	(1,394)	(1,414)
Total current assets	181,797	194,004
Non-current assets		
Property, plant and equipment:		
Buildings and structures	24,554	25,712
Accumulated depreciation	(18,480)	(19,523)
Buildings and structures, net	6,074	6,189
Machinery, equipment and vehicles	49,532	53,582
Accumulated depreciation	(39,399)	(43,902)
Machinery, equipment and vehicles, net	10,133	9,680
Tools, furniture and fixtures	40,983	40,322
Accumulated depreciation	(35,856)	(35,760)
Tools, furniture and fixtures, net	5,126	4,562
Land	1,270	1,272
Leased assets	33,981	37,285
Accumulated depreciation	(12,814)	(17,456)
Leased assets, net	21,167	19,829
Construction in progress	1,395	2,231
Total property, plant and equipment	45,168	43,764
Intangible assets:		
Goodwill	1,633	1,026
Customer relationship assets	355	301
Other	9,521	9,894
Total intangible assets	11,510	11,223
Investments and other assets:		
Investment securities	5,170	11,214
Retirement benefit asset	4,621	9,534
Deferred tax assets	27,367	28,006
Other	13,768	12,595
Allowance for doubtful accounts	(91)	(87)
Total investments and other assets	50,837	61,264
Total non-current assets	107,516	116,252
Total assets	289,313	310,256

(Millions of yen)

	2021	2022
LIABILITIES		
Current liabilities		
Notes and accounts payable - trade	48,509	53,341
Short-term borrowings	542	859
Lease liabilities	7,178	6,464
Accounts payable - other	20,809	22,578
Income taxes payable	1,375	2,846
Unearned revenue	15,014	17,188
Other	31,917	33,735
Total current liabilities	125,346	137,014
Non-current liabilities		
Long-term borrowings	1,019	1,043
Lease liabilities	18,484	17,121
Retirement benefit liability	26,624	29,565
Other	7,976	7,848
Total non-current liabilities	54,104	55,579
Total liabilities	179,450	192,594
NET ASSETS		
Shareholders' equity		
Share capital	39,970	39,970
Capital surplus	57	854
Retained earnings	52,616	55,977
Treasury shares	(5,372)	(4,733)
Total shareholders' equity	87,273	92,068
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,681	1,626
Deferred gains or losses on hedges	(16)	12
Foreign currency translation adjustment	10,805	15,819
Minimum pension liability adjustments	(832)	(694)
Remeasurements of defined benefit plans	3,799	3,114
Total accumulated other comprehensive income	15,436	19,877
Share acquisition rights	57	48
Non-controlling interests	7,094	5,667
Total net assets	109,862	117,662
Total liabilities and net assets	289,313	310,256

FINANCIAL INFORMATION

Consolidated Statement of Income

Years ended March 31, 2022 and 2021

(Millions of yen)

	2021	2022
Net sales	405,694	445,317
Cost of sales	243,421	269,369
Gross profit	162,272	175,948
Selling, general and administrative expenses	154,009	164,381
Operating profit	8,263	11,566
Non-operating income:		
Interest income	272	375
Dividend income	46	46
Gain on valuation of derivatives	—	413
Foreign exchange gains	832	—
Other	484	331
Total non-operating income	1,635	1,167
Non-operating expenses:		
Interest expenses	506	488
Loss on valuation of derivatives	673	—
Foreign exchange losses	—	691
Loss on sale and retirement of non-current assets	48	39
Other	1,476	1,316
Total non-operating expenses	2,705	2,536
Ordinary profit	7,193	10,197
Extraordinary income:		
Gain on sale of investment securities	—	286
Reversal of environmental expenses	284	—
Total extraordinary income	284	286
Extraordinary losses:		
Impairment loss of non-current assets	—	23
Loss on sale of investment securities	—	1
Loss on valuation of investment securities	25	—
Restructuring cost	7,628	1,333
Total extraordinary losses	7,653	1,359
Profit (loss) before income taxes	(176)	9,124
Income taxes—current	1,212	4,462
Income taxes—deferred	(6,614)	1,234
Total income taxes	(5,402)	5,696
Profit	5,225	3,428
Loss attributable to non-controlling interests	(1,900)	(1,953)
Profit attributable to owners of parent	7,126	5,381

Consolidated Statement of Cash Flows

Years ended March 31, 2022 and 2021

(Millions of yen)

	2021	2022
Cash flows from operating activities		
Profit (loss) before income taxes	(176)	9,124
Depreciation and amortization	15,884	15,469
Loss (gain) on sales of investment securities	—	(284)
Reversal of environmental expenses	(284)	—
Impairment loss of non-current assets	—	23
Loss (gain) on valuation of investment securities	25	—
Restructuring cost	7,628	1,333
Interest and dividend income	(318)	(422)
Interest expenses	506	488
Loss (gain) on sale and retirement of non-current assets	48	39
Increase (decrease) in allowance for doubtful accounts	22	(67)
Increase (decrease) in retirement benefit liability	(4,106)	(3,210)
Decrease (increase) in trade receivables	(1,046)	1,179
Decrease (increase) in inventories	4,989	(8,813)
Increase (decrease) in trade payables	(8,788)	(1,314)
Other, net	8,776	187
Subtotal	23,161	13,733
Interest and dividends received	346	435
Interest paid	(508)	(501)
Payment for extra retirement payments	(7,505)	(843)
Income taxes paid	(6,319)	(4,810)
Income taxes refund	66	2,023
Net cash provided by (used in) operating activities	9,240	10,037
Cash flows from investing activities		
Payments into time deposits	(450)	—
Proceeds from withdrawal of time deposits	—	477
Purchase of property, plant and equipment	(6,986)	(6,846)
Proceeds from sale of property, plant and equipment	383	201
Purchase of intangible assets	(2,128)	(2,619)
Purchase of investment securities	(316)	(6,255)
Proceeds from sale of investment securities	11	358
Net decrease (increase) in short-term loans receivable	57	11
Long-term loan advances	(3)	(0)
Proceeds from collection of long-term loans receivable	7	4
Payments for acquisition of businesses	(124)	(29)
Other, net	(23)	511
Net cash provided by (used in) investing activities	(9,573)	(14,184)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(291)	(598)
Repayments of finance lease liabilities	(3,932)	(4,793)
Proceeds from long-term borrowings	609	825
Repayments of long-term borrowings	—	(76)
Purchase of treasury shares	(12)	(12)
Proceeds from sale of treasury shares	—	1,439
Dividends paid	(552)	(2,200)
Dividends paid to non-controlling interests	(130)	(79)
Net cash provided by (used in) financing activities	(4,309)	(5,496)
Effect of exchange rate change on cash and cash equivalents	3,093	4,601
Net increase (decrease) in cash and cash equivalents	(1,549)	(5,043)
Cash and cash equivalents at beginning of period	53,302	51,753
Cash and cash equivalents at end of period	51,753	46,709

GLOBAL NETWORK

Through our global service locations, Toshiba Tec offers a wide range of products and solutions that can meet the different needs of our customers in various parts of the world, thus contributing to the maximization of our customers' profits. We offer a one-stop solution to support your global business development by establishing the best possible system to assist you in each phase, from planning, installation to maintenance.

12 Toshiba America Business Solutions, Inc. (Plant)



13 Toshiba Global Commerce Solutions, Inc.



24 Toshiba Tec Europe Imaging Systems S.A.



Manufacturing bases

Japan

- 1 Toshiba Tec Solution Services Corporation
- 2 Tec Information Systems Corporation
- 3 TD Payment Corporation
- 4 TER Corporation
- 5 Toshiba Global Commerce Solutions Holdings Corporation
- 6 Toshiba Tec Document Processing Systems Co., Ltd.
- 7 Tec Precision Co., Ltd.
- 8 T.T. Business Service, Co., Ltd.
- 9 Toshiba Tec Shizuoka Business Center (Mishima)
- 10 Toshiba Tec Shizuoka Business Center (Ohito)

Americas

- 11 Toshiba America Business Solutions, Inc.
- 12 Toshiba America Business Solutions, Inc. (Plant)
- 13 Toshiba Global Commerce Solutions, Inc.
- 14 Toshiba Global Commerce Solutions (Canada) Ltd.
- 15 Toshiba Global Commerce Solutions Mexico, S. de R.L. de C.V.
- 16 Toshiba Global Commerce Solutions (Colombia), S.A.S.
- 17 Toshiba Global Commerce Solutions for Retail (Brazil), Ltd.
- 18 Toshiba Global Commerce Solutions Chile SpA
- 19 Toshiba Tec Canada Business Solutions Inc.



9 Toshiba Tec Shizuoka Business Center (Mishima)



10 Toshiba Tec Shizuoka Business Center (Ohito)



44 Toshiba Tec Information Systems (Shenzhen) Co., Ltd.



40 40 Toshiba Tec Singapore Pte Ltd



41 Toshiba Tec Malaysia Manufacturing Sdn. Bhd.



46 P.T. Tec Indonesia



55

Europe

- 20** Toshiba Tec U.K. Imaging Systems Limited
- 21** Toshiba Tec Germany Imaging Systems GmbH
- 22** Toshiba Tec France Imaging Systems S.A.
- 23** Toshiba Tec Nordic AB
- 24** Toshiba Tec Europe Imaging Systems S.A.
- 25** Toshiba Tec Italia Imaging Systems S.P.A.
- 26** Toshiba Tec Switzerland AG
- 27** Toshiba Tec Poland S.A.
- 28** Toshiba Global Commerce Solutions (U.K.) Limited
- 29** Toshiba Global Commerce Solutions (Spain), S.L.
- 30** Toshiba Global Commerce Solutions (France), SAS
- 31** Toshiba Global Commerce Solutions (Italy) S.r.l.
- 32** Toshiba Global Commerce Solutions (Benelux) NV
- 33** Toshiba Global Commerce Solutions (Netherlands) B.V.
- 34** Toshiba Global Commerce Solutions (Germany), GmbH
- 35** Toshiba Global Commerce Solutions (Austria), GmbH
- 36** Toshiba Global Commerce Solutions (Nordic), AB
- 37** Toshiba Global Commerce Solutions (Denmark) ApS
- 38** Toshiba Global Commerce Solutions (Poland), sp. z o.o.
- 39** POS Perakende Otomasyon Sistemleri Ticaret ve Sanayi A.S.

Asia / Oceania / Middle East / Africa

- 40 40** Toshiba Tec Singapore Pte Ltd
- 41** Toshiba Tec Malaysia Manufacturing Sdn. Bhd.
- 42** Toshiba Tec Malaysia Sdn. Bhd.
- 43** Toshiba Tec (H.K.) Logistics & Procurement Ltd.
- 44** Toshiba Tec Information Systems (Shenzhen) Co., Ltd.
- 45** Toshiba Tec Information Systems (Shenzhen) Co., Ltd., China Business Headquarters
- 46** P.T. Tec Indonesia
- 47** Toshiba Tec (Thailand) Co., Ltd.
- 48** Toshiba Global Commerce Solutions (Thailand) Company Limited
- 49** Toshiba Global Commerce (Beijing) Co., Ltd.
- 50** Toshiba Global Commerce Solutions Korea, Co., Ltd.
- 51** Toshiba Global Commerce Solutions (Taiwan), Co. Ltd.
- 52** Toshiba Global Commerce Solutions (Hong Kong), Co. Limited
- 53** Toshiba Global Commerce Solutions (Philippines), Inc.
- 54** Toshiba Global Commerce Solutions (Singapore), Pte. Ltd.
- 55** Toshiba Global Commerce Solutions (Australia) Pty. Ltd.
- 56** Toshiba Global Commerce Solutions (South Africa) Proprietary Limited
- 57** Toshiba Global Commerce Solutions Gulf FZ-LLC

(as of March 2022)

STOCK INFORMATION

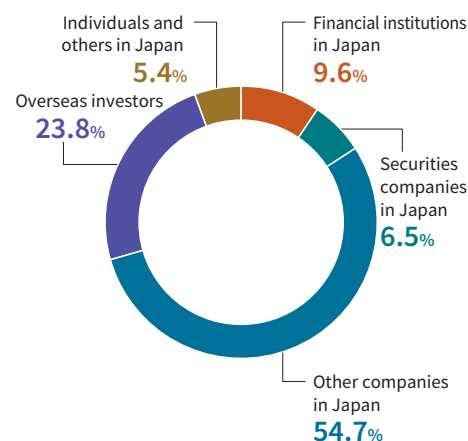
Stock Overview (as of March 31, 2022)

- 1) Total number of shares authorized to be issued: 200,000,000 shares
- 2) Total number of outstanding shares (excluding 2,301,938 shares of treasury stock): 55,327,202 shares
- 3) Number of shareholders: 7,223
- 4) Major shareholders

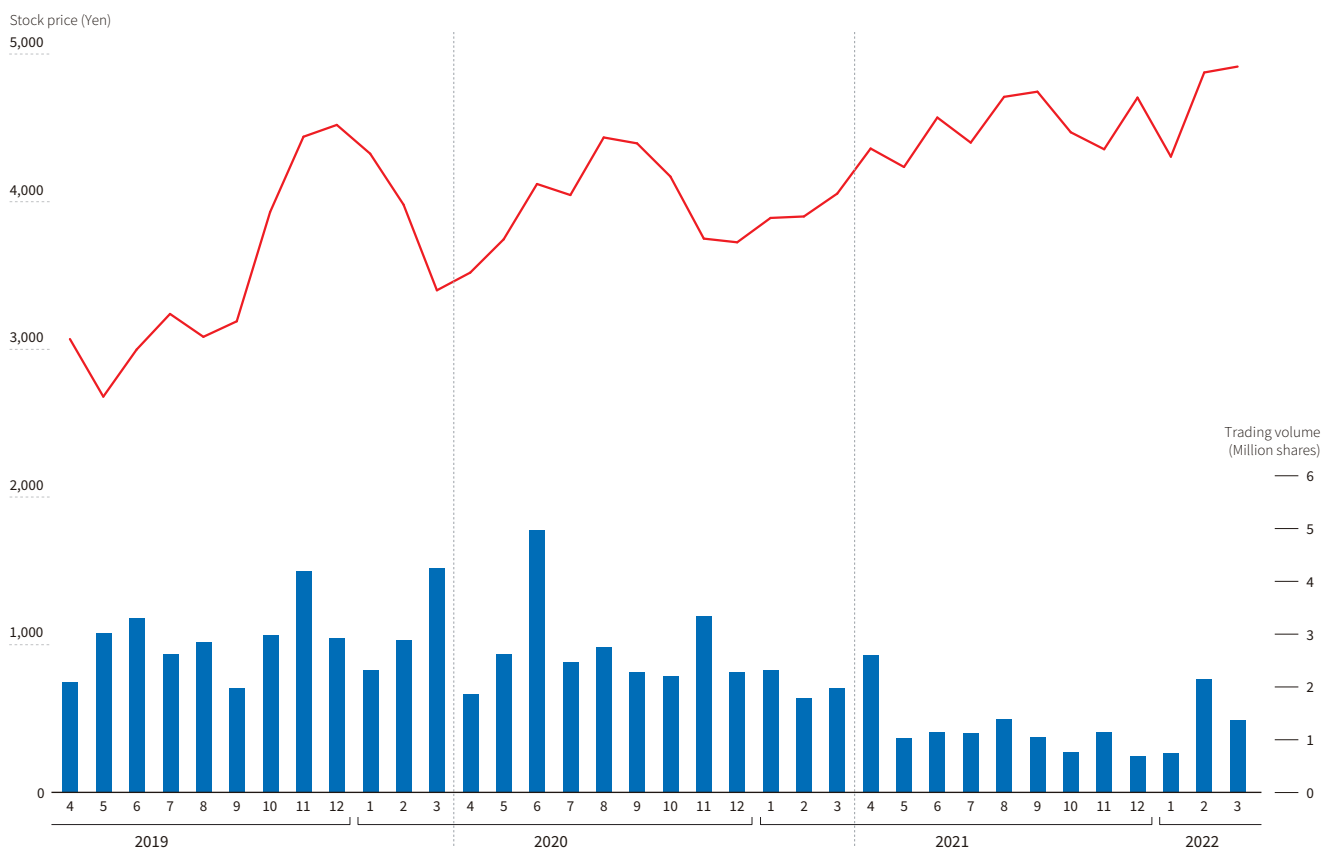
Shareholder	Number of shares held (Thousand shares)	Shareholding ratio (%)
Toshiba Corporation	28,827	52.1
The Master Trust Bank of Japan, Ltd. (Trust account)	3,136	5.7
Morgan Stanley MUFG Securities Co., Ltd.	2,820	5.1
State Street Bank and Trust Company 510312	1,357	2.5
State Street Bank and Trust Company 510311	1,245	2.3
BNY GCM CLIENT ACCOUNT JPRD AC ISG (FE-AC)	1,136	2.1
Digital Garage, Inc.	1,009	1.8
Custody Bank of Japan, Ltd. (Trust account)	938	1.7
Goldman Sachs and Company Regular Account	844	1.5
JP JPMSE LUX RE CITIGROUP GLOBAL MARKETS L EQ CO	775	1.4

Note: Treasury stock is excluded from the total number of outstanding shares in the calculation of shareholding ratio.

Breakdown by Shareholder



Stock Price and Trading Volume Trends



CORPORATE DATA

Corporate Overview (as of March 31, 2022)

Company name	Toshiba Tec Corporation
Head office	Gate City Ohsaki West Tower, 1-11-1, Osaki, Shinagawa-ku, Tokyo 141-8562, Japan
Established	February 21, 1950
Share capital	39,970 million yen
Employees	Consolidated: 18,539
Toshiba Tec Group	Consolidated: 69 companies



Subsidiaries and Affiliates (as of March 31, 2022)

Japan

- Toshiba Tec Solution Services Corporation
- Tec Information Systems Corporation
- Toshiba Global Commerce Solutions Holdings Corporation

Overseas

- Toshiba America Business Solutions, Inc.
- Toshiba Tec Information Systems (Shenzhen) Co., Ltd.
- Toshiba Global Commerce Solutions, Inc.
- Toshiba Tec (H.K.) Logistics & Procurement Ltd.
- Toshiba Tec Germany Imaging Systems GmbH
- Toshiba Tec Singapore Pte Ltd
- Toshiba Tec France Imaging Systems S.A.
- P.T. Tec Indonesia
- Toshiba Tec U.K. Imaging Systems Limited
- Toshiba Tec Malaysia Manufacturing Sdn. Bhd.
- Toshiba Global Commerce Solutions Mexico, S. de R.L. de C.V.
- Toshiba Tec Canada Business Solutions Inc.
- Toshiba Global Commerce Solutions (Italy) S.r.l.
- Toshiba Global Commerce Solutions (Netherlands) B.V.

Our consolidated subsidiaries consist of the 17 listed above and 52 other companies.

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- This report has not been audited by an audit corporation.
 - Forward-looking statements included in this report are based on information that Toshiba Tec has obtained at present and certain assumptions that we deem reasonable, and we do not guarantee that any of such statements will be realized. Actual performance may differ materially from any forward-looking statements due to various factors.
 - In case any corrections or revisions are made to this report, the revised version of this Integrated Report will be published on our website.

Toshiba Tec Corporation

Contact:

Gate City Ohsaki West Tower, 1-11-1, Osaki, Shinagawa-ku, Tokyo 141-8562 Japan
Phone: +81-3-6830-9100 Fax: +81-3-6684-4001 URL: <https://www.toshibatec.com/>